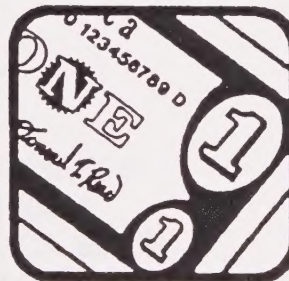
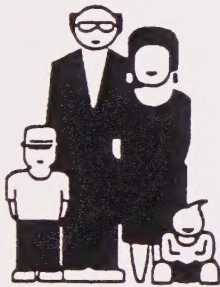
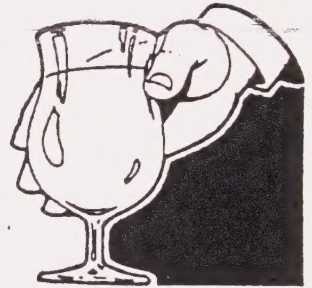
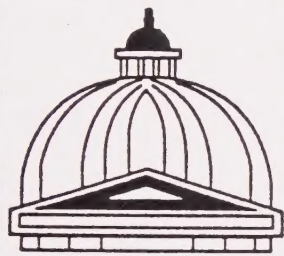
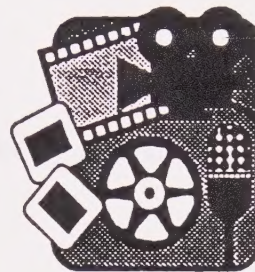
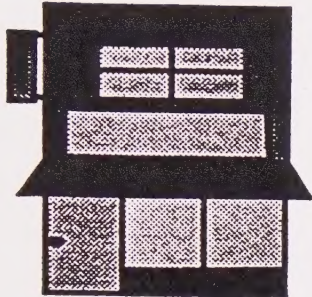


13 00711  
V.3



# COMMERCIAL MARKET POTENTIAL



CITY OF WINTERS

ECONOMIC DEVELOPMENT OF WINTERS' DOWNTOWN

INSTITUTE OF GOVERNMENTAL  
STUDIES LIBRARY

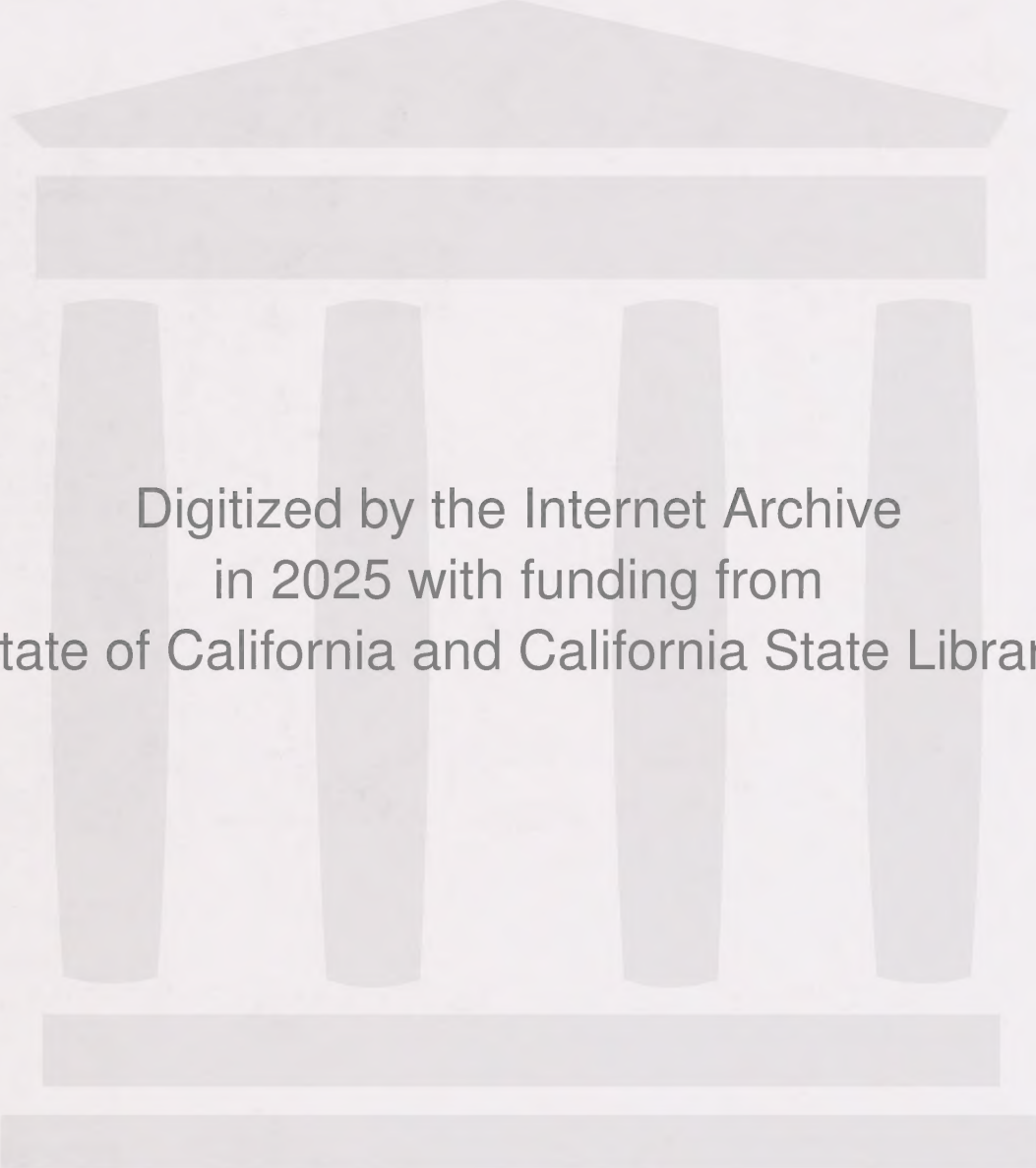
MAY 10 1993

UNIVERSITY OF CALIFORNIA

VOLUME 3  
COMMERCIAL MARKET REPORT

ZEPHYR ASSOCIATES/ECONOMIC DEVELOPMENT SERVICES  
Sacramento, California

August, 1990



Digitized by the Internet Archive  
in 2025 with funding from  
State of California and California State Library

<https://archive.org/details/C124908665>



93 00 11  
v.3

**THE ECONOMIC DEVELOPMENT OF  
THE WINTERS' DOWNTOWN AREA**

**VOLUME 3  
COMMERCIAL MARKET REPORT**

**BY**

**ZEPHYR ASSOCIATES  
P.O. BOX 160422  
SACRAMENTO, CA 95816  
(916-484-6457)**

**in association with**

**Economic Development Services  
1024 F Street  
Sacramento, CA 95814  
(916-441-0323)**

**Ken Marr, Structural Engineer  
6310 Rio Bonito Drive  
Carmichael, CA 95825**

**August, 1990**



---

## **ACKNOWLEDGEMENTS**

---

### **CITY COUNCIL**

Robert Chapman, Mayor  
Roger Mosier, Mayor Pro Tem  
Frank Curry  
Bill Pfanner  
Woody Fridae

### **FORMER COUNCIL MEMBERS**

Joe Ogando  
Bob Harris

### **PLANNING COMMISSION**

Marion Cantor, Chairperson  
George Sanders  
Gayle Todd  
Bill Cody  
Dave Cummings  
Pat Riley

### **CITY MANAGEMENT STAFF**

Perry Peck, City Manager  
Glenn Valenzuela, Director of Community Development  
Jon Robinson, Senior Planning Intern  
Joan Thissell, Building Inspector

### **WINTERS CHAMBER OF COMMERCE BOARD OF DIRECTORS**

Jessica Kilkenny, President  
Gary Bertagnolli  
Henry Clayton  
Dave Cummings

Chris Jones  
Darline Kovach  
Gloria Marion  
Nanci Mills

Bill Nichols  
Karen Ogando  
Cecil Padilla  
Judy Spinetti

### **INTERVIEWEES**

Those interviewed during this study process are listed in Appendix B.



---

## **PREFACE**

---

This is Volume 3, Commercial Market Report for the Economic Development of Winters' Downtown Area report.

This follows Volume 1 which is the Program for the Economic Development of Winters' Downtown, and Volume 2, which is the Program Technical Supplement.





---

## TABLE OF CONTENTS

---

### VOLUME 1

#### SUMMARY

SECTION 1	INTRODUCTION
SECTION 2	LAND USE
SECTION 3	THE MARKETPLACE
SECTION 4	SEISMIC STRUCTURES
SECTION 5	ECONOMIC REVITALIZATION
SECTION 6	IMPLEMENTATION

---

### VOLUME 2

#### APPENDIX

A	WINTERS INFORMATIONAL ITEMS
B	INTERVIEWS
C	INTERVIEW COMMENTS
D	WINTERS BUSINESS INVENTORY
E	WINTERS CHAMBER OF COMMERCE RURAL ECONOMIC DEVELOPMENT GRANT APPLICATION
F	BUILDING REPORTS, SEISMIC STRUCTURAL
G	CENTRAL BUSINESS AREA PLAN, AUGUST, 1978 (Excerpts)

---

### VOLUME 3

#### WINTERS COMMERCIAL MARKET REPORT



---

## SECTION 1. INTRODUCTION

---

Nestled in the foothills of the Vaca Mountain Range, the geographic location of Winters renders itself accessible via I-505 which connects with I-80, ten miles to the south and with I-5, twenty-five miles to the north.

The town has grown from a 1950 population of 1265 (3.1% of Yolo County population), to an estimated 1990 population of 4508 (2.9% of Yolo County population).

The City has been experiencing significant development pressures which prompted the City Council to adopt a building moratorium until such time as the general plan update was completed. This is now scheduled for February, 1991.

There are approximately 3,400 new dwelling units in the planning development process awaiting the end of the building moratorium. If all of these units are built and occupied there would be an increase of 9,500 residents.

The City applied for and received a planning grant from the California Community Development Department, Block Grant Program to study the constraints and opportunities associated with the economic development of Winters' downtown area.

The Consultant Team for the Winters' Downtown Economic Development Study was comprised of experienced consultants who have specialized in commercial or downtown revitalization/redevelopment planning and implementation.

Team members were as follows:

Ed Astone.....Project Manager  
Zephyr Associates, Sacramento

Wayne Schell/Jim King.....Associate Consultants  
Economic Development Services

Ken Marr.....Structural Engineer

The City of Winters asked for specific information and specific questions in the RFP.

*How will the Central Business Area be studied incorporating the following specific elements setting the stage for additional revenue and redevelopment and recommendations regarding the expansion of employment opportunities for low and very low income Winters residents.*

In order to properly address the City's needs, Zephyr divided the project into the following specific but related planning elements:

- A. Land Use Analysis
- B. Market Analysis
- C. Seismic Structure
- D. Economic Analysis
- E. Economic Revitalization Goals
- F. Implementation

### Project Methodology:

The project methodology employed in Winters was similar to that used in the economic development and revitalization planning of similar communities, adapted to suit the Winters planning aspirations.

There were numerous meetings with City Staff and with members of the Chamber of Commerce, along with an extensive interview process which included approximately 40 members of the Winters business and governmental community.

### FINAL REPORT

The final report is presented in three volumes:

Volume 1	Economic Development Program for Winters' Downtown Area
Volume 2	Economic Development Program Technical Supplement for Winters Downtown Area
Volume 3	Winters Commercial Market Report

Volume 1 is the program with Volume 2 being the Appendix (technical supplement) for the first volume. There will be the need to use the commercial market report separately and it has been presented in its entirety as Volume 3.

This is Volume 2 and included are the various support data and information for Volume 1 and Volume 3.



## CONTENTS

---

Summary .....	i
Introduction .....	1
Trade Area Demographics .....	3
Trade Area Consumer Cluster Composition .....	7
Trade Area Consumer Product/Service Preference .....	11
Commercial Market Potential .....	15
Observations, Issues and Recommendations .....	19
Appendices	
1 .....	Product/Service Preference Listing
2 .....	Commercial Marketplace Potential Index
3 .....	Description of Methodologies



## INTRODUCTION

This Report was prepared for the City of Winters by Zephyr Associates. The data, information, analysis and recommendations herein contained present an assessment of the commercial market potential of the Winters downtown.

## TRADE AREA DEMOGRAPHICS

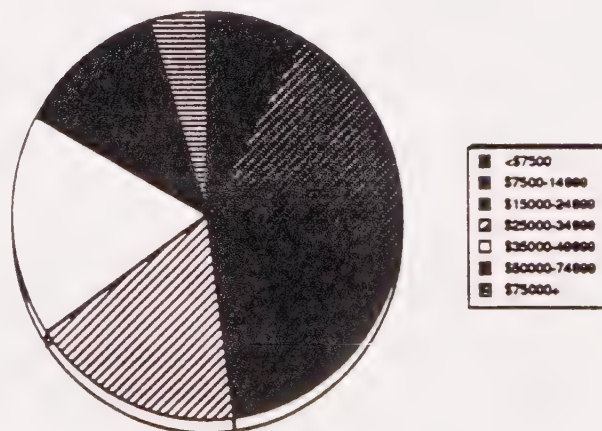
According to the 1980 U.S. Census, the trade area population was 3,949. The 1990 estimates indicate an increase in the population count to 5,827. The 1990 population, therefore, shows an increase of 47.6 percent from 1980. During this same period, the County grew at a rate of 20.9 percent.

Households in the trade area increased from 1,341 to 1,974 between 1980 and 1990, an increase of 47.2 percent. Households increased at a rate of 24.0 percent in the County during the same period.

Average household size decreased in the trade area from 2.93 to 2.92 (a 0.2 percent decrease). This trend is in contrast to the County's average household size which dropped 2.2 percent.

The Winters trade area contains a smaller concentration of households earning less than \$15,000 per year than the County (27.7 percent compared to 28.7 percent respectively). The trade area also contains a smaller concentration of house-

*Household Income/Trade Area — 1990 Estimates*



holds earning more than \$50,000 per year than the County (16.8 percent compared to 21.2 percent, respectively.)

The estimated 1990 average household income for the trade area is \$31,073, compared to the County's which is estimated at \$33,339. Average household income grew between 1980 and 1990 by 70.7 percent in the trade area, compared to 70.6 percent in County.

The estimated 1990 per capita income for the trade area is \$10,777, compared to the County's which is estimated at \$12,682. Per capita income grew between 1980 and 1990 by 70.8 percent in the trade area, compared to 74.3 percent in the County.

The 1990 estimated aggregate income for the trade area is \$62,800,000. However, the 1990 estimated buying power income for the trade area is \$40,820,000.

## TRADE AREA CONSUMER CLUSTER COMPOSITION

Examination of the data for more than 500 data variables at the census block group level indicates that, of the 40 different Cluster types in the U.S., two are found in the Winters trade area. These two Clusters represent two Cluster Groups.



For comparison purposes, the Cluster files for Yolo County were examined. They indicated that 24 Clusters currently are found in the County, representing 11 Cluster Groups.

The Winters trade area is very homogeneous in terms of its lifestyle composition.

The Winters trade area has 42.9 percent of the County's Agri-Business households and lacks a significant representation of any of the town or suburban Clusters.

## TRADE AREA PRODUCT-SERVICE PREFERENCE INDEX

As a group, the Winters trade area shoppers are more frequent users and consumers of moderate priced retail, financial and service products than the average U.S. shopper.

## COMMERCIAL MARKET POTENTIAL

The commercial market potential of the Winters downtown was quantified by using a tool known as the Marketplace Potential Index (MPI), designed to analyze the existing mix of businesses in the Winters trade area and estimate the potential for new establishments.



This is accomplished by comparing the trade area mix of establishments to the mix of establishments identified in a retail-commercial base area. Using this comparison, an MPI is created for each of the trade area's 101 retail, finance and service establishment types. Using the MPI for each of the 101 four-digit SIC types, it is possible to quantify the potential for additional businesses and employees by specific four-digit SIC's.

For the purposes of this analysis, two demand potentials were calculated for the Winters trade area. The first demand potential estimates the "Current Potential," an estimate of the additional retail-commercial activity that the trade area could absorb in 1990 given the current population and household mix.

The second demand potential estimates the "Build-Out Potential," an estimate of the additional retail-commercial activity the trade area could absorb if the community reached its build-out potential of 14,000 people — approximately 5,200 households. (The "Build-Out Potential" estimates include the "Current Potential" estimates.)

### Current Potential

An analysis of the Current and the Build-Out MPI for the Winters downtown reveals that nine establishment groupings would be appropriate for the downtown. These nine are presented below.

ESTABLISHMENT TYPE	CURRENT POTENTIAL	BUILD-OUT POTENTIAL
Department Store Related	1	0
Clothing Related	1	4
Leisure & Misc. Related	1	3
Banking and Finance	0	3
Office: Insur., Real Est., Legal	0	1
Office: Medical	2	4
Drug & Proprietary Stores	0	2
Entertainment Related	0	13
Tourism Related	1	12

### Winters' Trade Area Spendable Income

The 1990 estimate for aggregate income for the Winters' trade area is \$62.8 million. However, the 1990 estimated buying power income for retail goods and services for the trade area is \$40.8 million after the expenses for housing and taxes are deducted.

With the annual retail sales totals for 1988 (latest data available) totaling \$8.6 million, retail sales of approximately \$32 million are leaving the Winters community and being spent in Davis, Vacaville, Fairfield, Woodland, Sacramento and other communities.

It is unrealistic to assume or to expect that all of the retail sales leakage can be captured by the Winters downtown, even at full build-out of the Winters community. Some retail categories will always remain which a community with a population of 5,800 or even 14,000 will be of insufficient size to attract.

It is realistic, however, to project that at least one-half of this retail sales leakage can be captured by local retail goods and services outlets if they satisfy the needs, desires and the shopping aspirations of the Winters trade area residents.

## Retail Sales Leakage Potential

With one-half of the retail sales leakage projected as achievable, the \$16 million of target retail leakage equates to a current demand for approximately 128,000 square feet of additional goods and service establishments. This assumes that the new goods and service establishments would be of the type consistent with the previous demand analysis.

With the projected build-out to 14,000 population in the Winters' trade area, the level of spendable income available will increase to a total of \$98 million (current dollars) if spendable income stays consistent with the change in per capita income. If approximately one-half of that income spending is captured by retail goods and service establishments in the Winters' community, approximately 392,000 square feet of commercial space will be needed.



## OBSERVATIONS, ISSUES AND RECOMMENDATIONS

### OBSERVATIONS

---

- The Winters community is stable and growing with a strong but non-diversified economic base.
- The Community at large sees and believes in the need for an economically viable downtown.
- The visual image of the downtown area is characterized by the old "historic" buildings, which are very important.
- The majority of the Winters' Trade Area current potential is based on the moderate and budget priced goods.
- A significant portion of the spendable income of the residents in the Winters Trade Area can be captured by local retail goods and service

The consensus answer was the development of the property fronting on the east side of Railroad Avenue. Other popular responses included: satisfying the shopping needs of the local residents; parking, particularly behind the buildings; non-retail uses upstairs and out of store fronts.

- Based on the growth mentioned above, what should happen to other areas of the City regarding commercial development?

Some of the more popular responses focused on the freeway commercial being developed with uses that would not normally locate in a downtown area; the inevitable shopping centers should have primarily convenience goods and the other uses (shopping and specialty) should be saved for the downtown area; and controls by the City that the downtown area, including Railroad Avenue commercial area, be developed before any shopping centers are allowed.



- Any other thoughts about Winters' Downtown?

A common response was aimed at the need for sympathetic City government (Council, Planning Commission and Staff) that want to see the community grow at least to 14,000 population. The length of time estimated for this build-out was anywhere from a minimum of five to 20 years, with 10 being the most popular answer.

## **Recommendations**

### **Economic Development Program**

A policy statement regarding the operation and development of the downtown area is needed. This will establish a common understanding of the downtown's mission among those participating in the operation and management of the downtown area.

### **Mission Statement**

Winters' Downtown is to serve the residents of Winters and the surrounding areas and visitors to Winters as the economically viable commercial, governmental, cultural and entertainment center of the community. This is to be accomplished in a physical setting that captures and portrays the early heritage of Winters along with the atmosphere of a successful small valley town.



## Recommended Program

The economic/commercial revitalization program is based on an understanding of the characteristics of the downtown area, its weaknesses and its strengths. This program grows out of the information accumulated, an understanding of that data and information and recommendations on strategy and implementation.

- **Management/Organization and Promotions**

Presently, the Winters' Chamber of Commerce is the private business organization in Winters. The Chamber of Commerce serves in the role usually performed by a downtown association. In order for the Chamber to be effective, the entire program must be expanded financially and operationally.

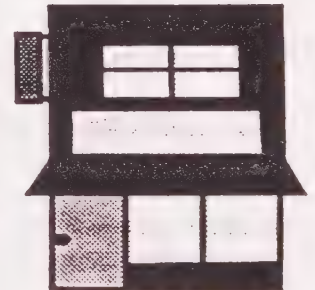
- **Market Analysis**

The Commercial Marketplace Report (CMR) includes an analysis of the existing retail market conditions and the opportunities that now exist and will exist in the future.

The CMR should be widely distributed, discussed and understood. It can serve as important planning data and information during the Winters General Plan update and the implementation of the general plan.

- **Business Mix/Land Use**

Winters' Downtown provides many development opportunities on both vacant land and vacant building space. The single highest priority is the structural stabilization of the unreinforced two story buildings along Main Street. This will provide space in the downtown area to satisfy some of the existing and projected demand for commercial space. Non-retail uses should be located in upper floor space and in other non-storefront building areas.

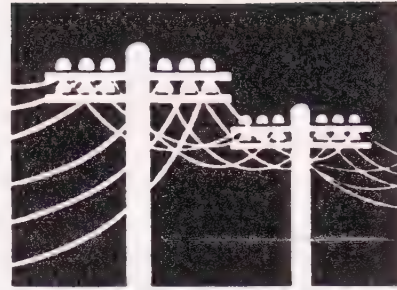


- **Infrastructure**

Downtown Winters has the basic infrastructure in place to continue to service the existing businesses and to service additional businesses which would be developed on the vacant and underutilized property identified in the Business Mix/Land Use section above.



However, some needs must be addressed, including upgrading the downtown area's storm drainage system, water distribution system, and curb-gutters-side-walks repair / replacement along with the task of undergrounding the existing electrical and telephone system.



- **Public Urban Design**

Additional improvements can be added to the downtown area to enhance the area's physical appearance. These should be consistent with and should portray the image and the mission statement theme of Winters' Downtown in both design and the materials. The area needs a downtown physical improvement plan to update the plan completed in 1978.

Physical changes to the public areas, however, will result only in a token return if they are not accompanied by an enhancement and expansion of the private improvements including the buildings and, even more importantly, the businesses in the downtown area.

- **Private Building Improvements and Design**

The City of Winters should cause the Downtown unreinforced masonry structures to be retro-fitted by providing financial incentive/subsidy funding. This will provide for the availability of the upper floor space of the commercial buildings for non-retail uses. This retro-fitting also will eliminate a questioning "cloud" regarding the future of these buildings.

- **Parking**

Winters' Downtown does not now have a traditional parking problem. A shortage of parking will occur as more property is developed and occupied in both existing buildings and on vacant parcels.



- **Traffic**

Traffic problems do not appear to exist in the downtown area, with the exception of the rebuilding of the Railroad Avenue bridge at some time in the future and the effect that the construction would have on vehicular accessibility to Winters Downtown from the area south across the creek.

- **Financing/Implementation**

The Winters Downtown financial outlook can be characterized as fragile, but one that is met with a sense of expectation both from the private sector as well as from the public sector-local government.

It is fragile not only because of the level of sales, but because of the lack of a critical mass of commercial retailing outlets. It is fragile also because property and business owners take a risk with any decisions made prior to the time when the existing moratorium on residential development is lifted. In lieu of that moratorium being lifted, the task is to redistribute the current level of spendable income. In the Marketplace section above, we have indicated that this can be done to a certain level of retail sales and in certain retail categories.

It can be characterized as one of expectation because, if there can be subsidy funds generated for the retro-fitting of the two story buildings in the downtown area and if this construction work can take place in a timely manner, the inventory of non-retail space can be marketed and the expansion of Winters' Downtown will commence.







THIS REPORT WAS PREPARED FOR the City of Winters by Zephyr Associates. The data, information, analysis and recommendations herein contained present an assessment of the commercial market potential of the Winters downtown.

### WINTERS, CALIFORNIA TRADE AREA

For the purposes of this analysis, the trade area for the Winters, Ca., downtown has been defined as the Winters census tract, number 113. This trade area was defined based upon discussions with city staff.

This trade area has been defined as the geographic area from which the downtown area can expect to draw 70-75 percent of its customers.

### REPORT COMPONENTS

Following is a listing and brief description of each of the components of this Report.

- **Trade Area Demographics** — presents key demographic and economic data describing the residents and consumers of the Winters trade area and Yolo County (which is used for comparative purposes). The key data are displayed in Table 1. Observations are provided summarizing the data and highlighting the key trends.
- **Trade Area Cluster Composition** — is defined using 1980 consumer lifestyle cluster types with 1990 household counts. Consumer lifestyles are identified by use of a sophisticated market research model, the Claritas, L.P. Cluster System. This 40-level consumer Cluster classification results from extensive analysis of 535 data variables. It

provides a uniquely segmented base from which to analyze consumer orientation and its impact upon retail development.

- **Trade Area Product-Service Preference Index** — presents 290+ individual products and services rank-ordered in terms of perceived trade area consumer demand. The Product-Service Preference Index uses consumer preference research which incorporates the trade area's unique Cluster composition.
- **Commercial Market Potential** — is defined, quantified and presented in terms of the specific store and establishment types which would fit in the Winters downtown.
- **Observations, Issues and Recommendations** — are provided which interpret the data for the Winters trade area and explain its ramifications on downtown redevelopment.
- **Appendix** — contains the detailed list of the 290+ lifestyle attributes and products analyzed, a detailed listing of establishments in the trade area and a detailed explanation of the Claritas, L.P. Cluster system.

### OBSERVATIONS

Certain key demographic and economic characteristics of the trade area are summarized and presented in Table 1. Observations on the data follow.

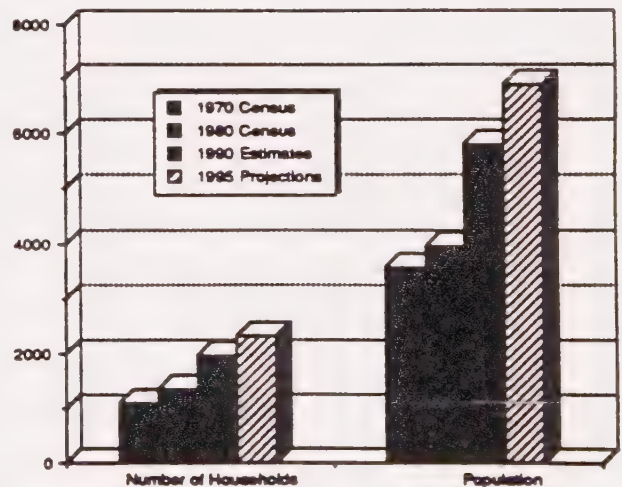
- The Winters trade area experienced growth in four important characteristics between 1980 and 1990: population, number of households, household income and per capita income.

In the case of the population, household and household income indicators, the trade area's growth rates exceeded the growth rates experienced by Yolo County. The trade area's growth in all four indicators is projected to outpace the county through 1995.

- The Winters trade area has grown between 1980 and 1990 in both population and number of households at more than two times the rate of Yolo County.

According to the 1980 U.S. Census, the trade area population was 3,949. The 1990 estimates indicate an increase in the population count to 5,827. The 1990 population, therefore, shows an increase of 47.6 percent from 1980. During

*Household and Population Size — Trade Area*



this same period, the County grew at a rate of 20.9 percent.

Households in the trade area increased from 1,341 to 1,974 between 1980 and 1990, an increase of 47.2 percent. Households in the County increased at a rate of 24.0 percent during the same period.

- **Average household size decreased in the trade area from 2.93 to 2.92 (a 0.2 percent decrease).**

This trend is in contrast to the County's average household size which dropped 2.2 percent.

- **Household incomes in the Winters trade area are very close to the overall County incomes.**

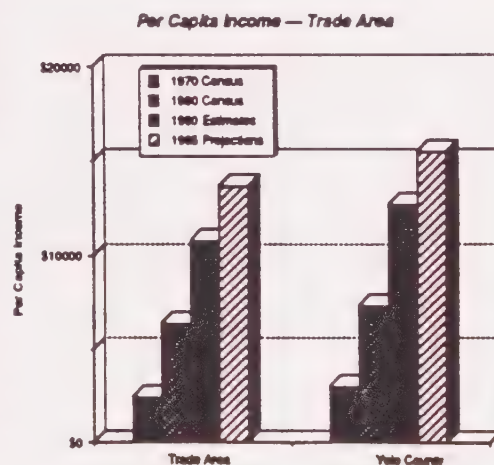
The Winters trade area contains a smaller concentration of households earning less than \$15,000 per year than the County (27.7 percent compared to 28.7 percent respectively).

The trade area also contains a smaller concentration of households earning more than \$50,000 per year than the County (16.8 percent compared to 21.2, respectively.)

- **Average household income and per capita income for the Winters trade area are lower than for the County.**

The estimated 1990 average household income for the trade area is \$31,073, compared to the County's which is estimated at \$33,339. Average household income in the trade area grew between 1980 and 1990 by 70.7 percent, compared to 70.6 percent in County.

The estimated 1990 per capita income for the trade area is \$10,777, compared to the County's which is estimated at \$12,682. Per capita income in the trade area grew between 1980 and 1990 by 70.8 percent, compared to 74.3 percent in the County.



- **The 1990 estimated aggregate income for the trade area is \$62,800,000. However, the 1990 estimated buying power income for the trade area is \$40,820,000.**



The aggregate income figure includes all income, not merely income that might be spent on retail and service purchases. Estimated expenses for housing and for taxes (federal, state and local) are subtracted from the total aggregate income to yield an estimate of the buying power available for all other uses, including retail and service purchases.

- In relation to commercial development, the most important observations are:
  - a. The consumer base of households in the trade area has grown at an annual rate of about 4.7 percent over the last 10 years;
  - b. Trade area consumer households are projected to continue to grow at an annual rate of at least 3.7 percent through 1995;
  - c. Moderate household incomes are prevalent in the area and are projected to grow at an annual rate of at least 5.8 percent through 1995; and
  - d. A significant base of disposal income is available in the trade area and is projected to grow at an annual rate of at least 9.92 percent through 1995.

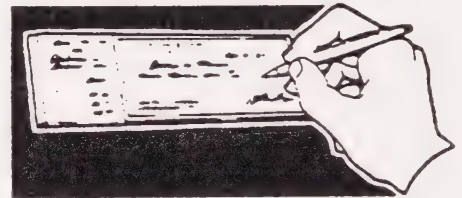




TABLE 1

**SUMMARY OF TRADE AREA DEMOGRAPHIC CHARACTERISTICS  
WINTERS, CA., TRADE AREA**

	1970 CENSUS		1980 CENSUS		1990 ESTIMATES		1995 PROJECTIONS		% CHG 80-90		% CHG 90-95	
	TA	YOLO CO.	TA	YOLO CO.	TA	YOLO CO.	TA	YOLO CO.	TA	YOLO CO.	TA	YOLO CO.
POPULATION	3,561	91,788	3,949	113,374	5,827	137,016	6,894	152,231	47.6	20.9	18.3	11.1
HOUSEHOLDS	1,086	28,316	1,341	41,304	1,974	51,210	2,321	57,233	47.2	24.0	17.6	11.8
HOUSEHOLD SIZE	3.28	3.07	2.93	2.59	2.92	2.54	2.94	2.53	-0.20	-2.20	0.70	-0.50
% OF HHLDS WITH INCOME:												
LESS THAN \$7500			23.7	24.4	8.1	12.6	4.6	8.7				
\$7500-\$14999			25.8	24.5	19.6	16.1	15.2	14.2				
\$15000-\$24999			26.1	23.3	20.1	18.9	16.2	17.0				
\$25000-\$34999			15.2	14.4	17.6	13.9	16.7	12.9				
\$35000-\$49999			7.8	8.9	17.8	17.3	19.0	16.7				
\$50000-\$74999			0.3	3.1	12.1	13.7	16.6	16.0				
\$75000 OR MORE			1.1	1.3	4.7	7.5	11.8	14.5				
MED. HOUSEHOLD INCOME	\$6,373	\$8,516	\$15,129	\$15,408	\$24,946	\$26,508	\$33,505	\$32,700	71.5	72.0	29.1	23.4
AVG. HOUSEHOLD INCOME	\$8,006	\$9,453	\$18,207	\$19,537	\$31,073	\$33,339	\$39,611	\$40,652	70.7	70.6	27.5	21.9
PER CAPITA INCOME	\$2,442	\$2,990	\$6,310	\$7,277	\$10,777	\$12,682	\$13,631	\$15,520	70.8	74.3	26.5	22.4
AGGREGATE INCOME (MIL.)	\$8.7	\$274.4	\$24.9	\$825.0	\$62.8	\$1,737.6	\$94.0	\$2,362.6	152.0	110.6	49.6	36.0
BUYING POWER (MIL.)	\$5.7	\$178.4	\$16.2	\$536.3	\$40.8	\$1,129.4	\$61.1	\$1,535.7	1.5	1.1	0.5	0.4

DATA SOURCE: ECONOMIC DEVELOPMENT SERVICES AND NATIONAL PLANNING DATA CORPORATION

TABLE 1

## WINTERS' DOWNTOWN TRADE AREA / SUMMARY OF TRADE AREA DEMOGRAPHIC CHARACTERISTICS





# **TRADE AREA CONSUMER CLUSTER COMPOSITION**

---

## **INTRODUCTION**

The consumer characteristics of the Winters trade area population have been identified through a consumer lifestyle Cluster system developed by Claritas Corporation. This analysis is described in detail in the Appendix.

Forty dominant lifestyle types, or Clusters, have been identified throughout the United States. Each consumer Cluster is composed of households that tend to exhibit similar lifestyles and to act uniformly and predictably in the marketplace. The 40 Clusters are divided among 12 Cluster Groups which denote basic neighborhood types categorized according to geographic orientation and socioeconomic levels.

Examination of the data for more than 500 data variables at the census block group level indicates that, of the 40 different Cluster types in the U.S., two are found in the Winters trade area. These two Clusters represent two Cluster Groups.

For comparison purposes, the cluster files for the Yolo County were examined. They indicated that 24 Clusters are currently found in the County, representing 11 Cluster Groups.

## **OBSERVATIONS**

Two principle observations can be drawn about the Cluster composition of the trade area:

- **The Winters trade area is homogeneous in terms of its lifestyle composition.**

The presence of two out of 40 possible Clusters in the trade area

indicates a great deal of homogeneity in the trade area.

- The Winters trade area has 42.9 percent of the County's Agri-Business households and lacks a significant representation of any of the town or suburban Clusters.

Compared to the County, the trade area proportions for Cluster Groups are:

Cluster Group	T.A.	YOLO CO.
R1 (Rural—upscale)	85.36%	7.67%
T1 (Town—upscale)	14.64%	5.97%
All Other Clusters	0.00%	86.38%

## THE WINTERS TRADE AREA CLUSTERS

The two Clusters in the Winters trade area represent two Cluster Groups. Descriptions of these Cluster Groups and their Clusters follow.

The remaining Clusters found in the comparison area which are not presented here are described in the Appendix to this report.

### GROUP R1

#### **Rural Towns & Villages Amidst Farms & Ranches Across Agrarian Mid-America**

The three Clusters of Group R1 are geo-centered in a broad swath across the Cornbelt, through the wheat fields of the Great Plains states, into ranch and mining country and all

the way to the west coast. R1 Clusters share a) large numbers of sparsely populated communities, b) lower-middle to downscale socioeconomic levels, c) extreme concentrations of native Americans of German and Scandinavian ancestries, d) negligible Black presence, e) high incidence of large families headed by married parents, f) low incidence of college educations, and g) maximum stability. These people are well described as "rugged conservatives."



## CLUSTER NO. 34 — AGRI-BUSINESS

Trade Area % .....85.36  
Primary Age Range .....55+

Yolo Co. % .....7.67  
Median Household Income .....\$21,363

Cluster 34 is geo-centered in the Great Plains and mountain states. It has an above-average Spanish language index — mostly from Mexican braceros and Spanish-speaking Indians. These are, in good part, prosperous ranching, farming, lumbering and mining areas. However, the picture is marred by rural poverty, from the Dakotas to California, where weather-worn old men and a continuing youth exodus testify to hard living.

## GROUP T1

### **Educated, Young, Mobile Families in Exurban Satellites & Boom Towns**

The three clusters of Group T1 share a lot of American geography, most of it around our younger boom towns, or in the satellite towns and exurbs far beyond the beltways of major metros. Other shared characteristics are a) young, native-born, white-collar adults, b) extremely high mobility rates, and c) new, low-density single-unit housing. Most evident is growth. T1's have been the chief recipients of a major urban exodus, and are among the nation's fastest growing areas.



## CLUSTER NO. 1 — GOD'S COUNTRY

Trade Area % .....14.64  
Primary Age Range .....25-44

Yolo Co. % .....5.97  
Median Household Income .....\$36,728

Cluster 1 contains the highest socio-economic, white-collar neighborhoods primarily located outside SMSA's. These are well-educated frontier types who have opted to live away from the big metros in some of our most beautiful mountain and coastal areas. Cluster 1's are highly mobile, and are among the nation's fastest growing neighborhoods. They are outstanding consumers of both products and media.

## **CLUSTER COMPOSITION TABLE**

Table 2, which details the Cluster composition for the Winters trade area, appears on the following page.

- Column One shows the code for the Cluster Group to which a particular Cluster belongs.
- Column Two lists the number assigned to each Cluster.

- **Column Three** indicates the descriptive nickname assigned to the Cluster.
- **Columns Four-12** define each Cluster according to these factors: population density, geographic area orientation, degree of homogeneity, life cycle, age, educational level, employment level, housing stock and comparative socioeconomic level.
- **Columns 13 and 14** show each Cluster's household count and percentile representation in the Winters trade area.
- **Columns 15 and 16** show each Cluster's household count and percentile representation in Yolo County.



TABLE 2

**1990 TRADE AREA LIFESTYLE CLUSTER COMPOSITION — WINTERS, CA., TRADE AREA  
(COMPARISON AREA: YOLO COUNTY)**

GR	#3	NICKNAMES	ONE-LINER	TRADE AREA								COMPARISON AREA							
				HHLD'S								%							
R1	34	Agri-Business	DEN1 FARM DOM	FAM	6/5	EX	BF	S-U	Q27	1,685	85.36	3,926	7.67						
T1	1	God's Country	DEN2 TOWN DOM	FAM	3/2	CG	WC	S-U	Q13	289	14.64	3,058	5.97						
S2	20	Young Influentials	DEN7 SUBS DOM	F/S	1/2	CG	WC	M-U	Q6	0	0.00	9,680	18.90						
T2	16	Middle America	DEN4 TOWN DOM	FAM	5/4	HS	BC	S-U	Q20	0	0.00	8,297	16.20						
T1	17	New Homesteaders	DEN3 TOWN DOM	FAM	1/2	SC	BW	S-U	Q14	0	0.00	5,216	10.19						
U3	4	Heavy Industry	DEN7 CITY MIX	F/S	6/5	SH	BC	2-9	Q37	0	0.00	5,068	9.90						
S1	5	Des. Jeans/Station Wagons	DEN5 SUBS DOM	FAM	3/4	CG	WC	S-U	Q3	0	0.00	3,120	6.09						
T3	18	Smalltown Downtown	DEN6 TOWN DOM	F/S	6/1	HS	BW	2-9	Q32	0	0.00	2,274	4.44						
U1	23	New Beginnings	DEN7 CITY MIX	F/S	2/1	SC	WC	M-U	Q12	0	0.00	1,551	3.03						
S4	27	Levittown, U.S.A.	DEN6 SUBS DOM	CPL	5/6	HS	WC	S-U	Q16	0	0.00	1,530	2.99						
T3	33	Golden Ponds	DEN3 TOWN DOM	CPL	6/5	EX	BW	S-U	Q29	0	0.00	1,298	2.53						
T3	22	Mines & Mills	DEN3 TOWN DOM	FAM	5/4	HS	BC	S-U	Q30	0	0.00	1,223	2.39						
S2	7	Pools & Patios	DEN6 SUBS DOM	CPL	5/4	CG	WC	S-U	Q4	0	0.00	963	1.88						
S3	30	Blue-Chip Blues	DEN5 SUBS DOM	FAM	3/2	HS	BW	S-U	Q8	0	0.00	810	1.58						
U3	32	Public Assistance	DEN8 CITY DOM	S/S	1/6	GS	BS	M-U	Q40	0	0.00	783	1.53						
R1	35	Grain Belt	DEN0 FARM DOM	FAM	6/5	HS	BF	S-U	Q28	0	0.00	768	1.50						
R2	38	Share Croppers	DEN1 TOWN MIX	FAM	6/5	GS	BF	S-U	Q34	0	0.00	500	0.98						
S3	24	Young Suburbia	DEN5 SUBS DOM	FAM	3/2	CG	WC	S-U	Q7	0	0.00	368	0.72						
U3	11	Downtown Dixie-Style	DEN6 CITY DOM	S/S	1/6	SH	BS	2-9	Q38	0	0.00	283	0.55						
T2	29	Coalburg & Corntown	DEN2 TOWN DOM	FAM	6/3	HS	BC	S-U	Q21	0	0.00	149	0.29						
S4	2	Rank & File	DEN6 SUBS MIX	CPL	5/6	HS	BC	2-9	Q18	0	0.00	117	0.23						
R2	6	Hard Scrabble	DEN0 FARM MIX	FAM	6/5	GS	BF	S-U	Q36	0	0.00	44	0.09						
S1	28	Blue Blood Estates	DEN5 SUBS DOM	FAM	4/3	CG	WC	S-U	Q1	0	0.00	41	0.08						
S4	39	Gray Power	DEN5 SUBS DOM	CPL	6/5	SC	WC	M-U	Q17	0	0.00	8	0.02						
U1	21	Urban Gold Coast	DEN9 CITY MIX	SGL	2/6	CG	WC	M-U	Q9	0	0.00	0	0.00						
T1	12	Towns & Gowns	DEN3 TOWN DOM	SGL	1/2	CG	WC	S-U	Q15	0	0.00	0	0.00						
R2	10	Back Country Folks	DEN1 TOWN DOM	FAM	6/3	SH	BC	S-U	Q33	0	0.00	0	0.00						
S2	25	Two More Rungs	DEN8 SUBS MIX	F/S	6/5	CG	WC	M-U	Q5	0	0.00	0	0.00						
U3	9	Hispanic Mix	DEN8 CITY DOM	F/S	1/2	GS	BC	M-U	Q39	0	0.00	0	0.00						
R2	15	Tobacco Roads	DEN0 TOWN DOM	F/S	6/5	GS	BF	S-U	Q35	0	0.00	0	0.00						
U2	36	Old Yankee Rows	DEN7 CITY MIX	F/S	6/5	HS	BW	2-9	Q23	0	0.00	0	0.00						
U1	31	Black Enterprise	DEN7 CITY DOM	F/S	3/4	SC	WC	2-9	Q11	0	0.00	0	0.00						
U1	37	Bohemian Mix	DEN9 CITY MIX	SGL	2/1	CG	WC	M-U	Q10	0	0.00	0	0.00						
U2	26	Single City Blues	DEN8 CITY MIX	SGL	1/2	SC	BW	M-U	Q25	0	0.00	0	0.00						
S1	8	Money & Brains	DEN7 SUBS DOM	F/S	4/5	CG	WC	S-U	Q2	0	0.00	0	0.00						
U2	14	Emergent Minorities	DEN7 CITY DOM	S/S	1/2	SH	BS	2-9	Q24	0	0.00	0	0.00						
R1	19	Shotguns & Pickups	DEN1 TOWN DOM	FAM	3/4	HS	BF	S-U	Q26	0	0.00	0	0.00						
T3	13	Norma Rae-ville	DEN3 TOWN MIX	FAM	1/4	SH	BC	S-U	Q31	0	0.00	0	0.00						
U2	3	New Melting Pot	DEN9 CITY MIX	F/S	6/5	EX	WC	M-U	Q22	0	0.00	0	0.00						
T2	40	Blue-Collar Nursery	DEN2 TOWN DOM	FAM	3/2	HS	BC	S-U	Q19	0	0.00	0	0.00						
<b>TOTAL HOUSEHOLD COUNT:</b>										<b>1,974</b>		<b>51,210</b>							

**KEY TO ONE-LINERS:**

Example (Cluster No. 16 - Middle America)

Demographic Highlights    1    2    3    4    5    6    7    8    9  
One Liner Abbreviations    DEN4 TOWN DOM    FAM    6/4    HS    BC    S-U    Q20

**1. Average Density Decline**

DEN0 (Household Density)

DEN9 (Per Square Mile)

Lowest to Highest)

**2. Predominant Area Type**

CITY (Dense Urban Row &amp; Hi-Rise Areas)

SUBS (Suburban Fringe Residential Areas)

TOWN (Ex-Urban Towns &amp; Satellite Suburbs)

FARM (Farms, Ranches &amp; Other Rural Areas)

**3. Ethnic Diversity**

DOM (Dominant Ethnic Groups)

MIX (Mixed Ethnic Groups)

**4. Predominant Family Type**

FAM (Married Couples w/Children)

CPL (Married Couples, Few Children)

F/S (Families w/ Singles Elements)

SGL (Singles, Couples Few Children)

S/S (Solo-Parent Families &amp; Singles)

**5. Relative Importance**

of Adult Age Groups

1 (18-24 Yrs)    4 (45-54 Yrs)

2 (25-34 Yrs)    5 (55-64 Yrs)

3 (35-44 Yrs)    6 (65+ Years)

First/second-highest indexed age groups are indicated by numbers separated by a slash.

**6. Key Education**

CG (College Grad &amp; Above)

SC (Some College)

HS (High School Grad)

SH (Some High School)

GS (Grade School)

EX (Exception, Flat or Bl)

**7. Key Employment Level**

WC (White Collar)

BC (Blue Collar)

BW (Blue/White Mix)

BS (Blue Collar/Service)

BF (Blue Collar/Farm)

**8. Key Housing Type**

S-U (Single-Unit Housing)

2-9 (2-9 Unit Housing)

M-U (Multi-Unit 10+ Housing)

**9. Social Rank**

Q1 (Neighborhood Quality)

Q40 (Highest to Lowest, based on Weighted Composite of Socio-economic variables)



# TRADE AREA CONSUMER PRODUCT/SERVICE PREFERENCE INDEX

---

## INTRODUCTION

This section describes the Winters trade area consumer preferences for 290+ specific products and services.

Using the unique Cluster composition within the trade area, its households were compared to all households in the United States in order to determine relative rankings for each of the 290+ items. In this way, the scores reflect preferences which come from the unique lifestyles of the trade area households.

All Product-Service Preference Index (PSPI) rankings are given relative to the national norm — a ranking of 100 — in relation to the percent of above average interest as compared to the U.S. average. Lesser interest would be scored below 100 in relation to the percent of below average interest as compared to the U.S. average.

For example, a score of 120 indicates that the Winters trade area's consumer composition shows an interest 20 percent greater than the U.S. average; a score of 80 would indicate 20 percent less interest. Rankings of 95 through to 105 are considered in the average range.

It should be noted that the rankings are of relative frequency of purchase and use, not of level of expenditure.

The PSPI identification of preferred specific products and services provides a better understanding of the Winters trade area population as consumers and can be helpful to both existing and future businesses.





Existing businesses can gain valuable insights into the preferences of their customers. These insights can aid in buying and merchandising decisions. Businesses that are considering locating in the trade area can use this information to determine if their merchandise lines would be accepted by local consumers.

Observations and PSPI's have been developed for the Winters trade area. The detail listing of all 290+ products/services are included in Appendix 1.

## Observations On Trade Area Consumer Preferences

Examination of the Winters consumer profile and target Product-Service Preference Index reveals that the incomes and lifestyles of the target trade area shoppers suggest an approximate price line distribution as follows:

Better-priced Goods .....	15%
Moderate-priced Goods .....	50%
Budget-priced Goods .....	35%

These moderate price line orientations and preference/inclination rankings are strong indicators in the overall assessment of retail potential.

More specific observations regarding the 290+ products, services and activities follow.

- Trade area consumers show an **above average** preference for compact trucks (152), standard pick-up trucks (194), and sport utility vehicles (154).

Below average preference is shown for Mercury (79) and sub-compact size cars (64).

An **above average** preference is shown for ownership of both motorcycles (142) and campers (181).



- Several items related to consumer durables were **above average**. Automatic dish washers (108), ceiling fans (109) and clothes dryers (114) are examples.
- Male clothing preferences were **above average** for moderate priced work clothing. Jeans costing less than \$25 (135), those costing more than \$25 (110), and work boots (133) are some examples.
- Female clothing preferences also were **below average** for higher end merchandise. Suits — \$100+ (47), \$50+ dress shoes (69) and designer jeans (76) are some illustrations.



- **Below average** ratings are recorded for shopping at Montgomery Ward (75) and Sears (86).

K-Mart (108) and J.C. Penney (126) scored **above average**.



- Fast food restaurants in general were **below average**, specifically Fish (75) and Chicken (63). Steak houses (88) and Fast Food Burger Restaurants (92) also show a **below average** preference.
- **Below average** ratings were recorded for all travel-related items, except for Domestic Travel (101) which was **average**.



### INTRODUCTION

The commercial market potential of the Winters downtown was quantified by using a tool known as the Marketplace Potential Index (MPI). The MPI was generated by a proprietary model developed by Project Market Data, Inc., of Cincinnati, to analyze the existing mix of businesses in the Winters trade area and estimate the potential for new establishments. This is accomplished by comparing the trade area mix of establishments to the mix of establishments identified in a retail-commercial base area. Using this comparison, an MPI is created for each of the trade area's 101 retail, finance and service establishment types. Using the MPI for each of the 101 four-digit SIC types, it is possible to quantify the potential for additional businesses and employees by specific four-digit SIC's. A brief overview of this model follows.

Using the latest available county business patterns data sorted by ZIP code, the model established a set of norms for the distribution of retail, finance and service establishment types per thousand population within the base area. The base area was identified as an area which has socio-economic similarity with the trade area. For the Winters trade area, a base area was identified which included Carpinteria, Dixon, Los Banos and Oroville, Ca.



Using the norms established by the distributions in the base area, the count of existing establishments and employees for each of the 101 establishment types in the trade area was compared against those norms, and an estimate was produced indicating the potential for additional establishments of each type in the trade area. The count of existing establishments within the trade area was obtained by using the latest available county business patterns data for the trade area and field, verifying and adjusting those counts to produce 1990 estimates of the existing business mix.

For the purposes of this analysis, two demand potentials were calculated for the Winters trade area. The first demand potential estimates the “Current Potential,” the additional retail-commercial activity that the trade area could absorb in 1990, given the current population and household mix.

The second demand potential estimates the “Build-Out Potential,” an estimate of the additional retail-commercial activity the trade area could absorb if the community reached its build-out potential of 14,000 people — approximately 5,200 households. (The “Build-Out Potential” estimates include the “Current Potential” estimates.)

A detailed table in Appendix 2 presents the current establishment and employee counts, the MPI and the “Current Potential” estimates, and the MPI and “Build-Out Potential” estimates for establishments and employees for each of the 101 establishment types.

Table 3 presents both potential estimates for the trade area by establishment type grouping.

## **MPI FINDINGS**

- The analysis of existing businesses in the trade area identified an estimated **97 establishments** in the 101 retail, financial and service establishment types. These establishments employ approximately **362 full- and part-time employees**, based upon businesses making Federal withholding deductions for employees.
- The trade area contains **47 different establishment types** out of the possible 101 types analyzed.
- An examination of the detailed Commercial Marketplace Report in Appendix 2 indicates that only **eight establishment types** have a Current MPI greater than 1.05, while **24 establishment types** have a Build-Out MPI greater than 1.05. This would indicate a modest level of potential for additional establishments of these types at the current time, with room for more significant growth as the trade area grows in population.
- The eight establishments identified with additional Current Potential account for an estimated **eight new establishments, eight potential expansions and 37 new employees** in those additions and expansions.

The 24 establishments identified with additional Build-Out Potential account for an estimated **53 new establishments, four potential expansions and 184 new employees** in those additions and expansions.



TABLE 3

## COMMERCIAL MARKETPLACE REPORT — WINTERS TRADE AREA

ESTABLISHMENT TYPE	CURRENT SUPPLY		CURRENT POTENTIAL			BUILD-OUT POTENTIAL		
	ESTABS	EMPLS	MPI*	ESTABS	EMPLS	MPI*	ESTABS	EMPLS
HOME IMPROVEMENT RELATED	9	25	1.00	0	0	1.06	0	1
DEPARTMENT STORE RELATED	1	13	1.24	1	3	1.65	1	8
GROCERY RELATED	7	83	1.04	1	4	1.10	6	9
TRANSPORTATION:								
CAR DEALERS & MAINTENANCE	15	39	1.27	1	10	2.09	5	43
RENTALS & RECREATION	1	2	1.65	0	1	3.46	1	5
CLOTHING RELATED	1	2	1.65	1	1	2.78	5	5
HOME FURNISHINGS RELATED	4	12	1.00	0	0	1.00	0	0
LEISURE & MISC RETAIL	8	19	1.19	1	4	1.71	4	15
BANKING & FINANCE	1	13	1.07	0	1	1.19	3	3
OFFICE: INSUR, REAL ESTATE, LEGAL	10	18	1.00	0	0	1.13	1	2
OFFICE: MEDICAL	6	10	1.57	2	6	2.58	6	16
MEDICAL FACILITIES	2	3	1.00	0	0	1.00	0	0
DRUG & PROPRIETARY STORES	1	7	1.00	0	0	2.07	2	7
PERSONAL SERVICES	17	37	1.00	0	0	1.08	0	3
REPAIR SERVICES	4	14	1.08	0	1	1.22	2	4
ENTERTAINMENT RELATED	9	65	1.02	0	2	1.74	13	50
TOURISM RELATED	9	65	1.08	1	5	1.91	13	59

\* MPI (Marketplace Potential Index) measures the degree of development potential in the entire market area. An index of 1.05+ indicates potential; less than .95 indicates oversupply.

Source: City of Winters, Zephyr Associates and Economic Development Services.



## OBSERVATIONS ON DEVELOPMENT POTENTIAL

### Current Potential

An analysis of the Current and the Build-Out MPI for the Winters downtown reveals nine establishment groupings appropriate for the downtown. These nine are presented below.

ESTABLISHMENT TYPE	CURRENT POTENTIAL	BUILD-OUT POTENTIAL
Department Store Related	1	0
Clothing Related	1	4
Leisure & Misc. Related	1	3
Banking and Finance	0	3
Office: Insur., Real Est., Legal	0	1
Office: Medical	2	4
Drug & Proprietary Stores	0	2
Entertainment Related	0	13
Tourism Related	1	12

### WINTERS' TRADE AREA SPENDABLE INCOME

The 1990 estimate for aggregate income for the Winters' trade area is \$62.8 million. However, the 1990 estimated buying power income for retail goods and services for the trade area is \$40.8 million, after expenses for housing and taxes are deducted.

With the annual retail sales totals for 1988 (latest data available) totaling \$8.6 million, retail sales of approximately \$32 million are leaving the Winters community for Davis, Vacaville, Fairfield, Woodland, Sacramento and other communities.



Just as other small communities have seen the majority of their spendable income from the residents in the local trade area "leak" to neighboring larger communities, the same is expected to continue for Winters.

The challenge is to provide, promote and to market local goods and services in such a way that the local residents will find it not only convenient but also economical to shop locally.

It is unrealistic to assume or to expect that all retail sales leakage can be captured by the Winters downtown, even at full build-out of the Winters community. Some retail categories will always remain which a community with a population of 5,800 or even 14,000 will be of insufficient size to attract. Another contributing

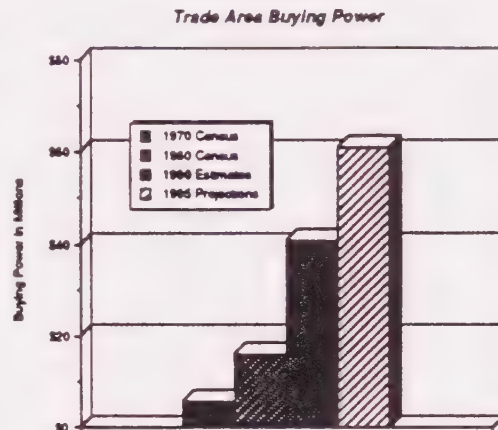
factor to "leakage" is the resident consumer's desire to make a recreational-shopping trip to a larger city, factory outlets or to a specialty theme shopping district or center.

It is realistic, however, to project that at least one-half of this retail sales leakage can be captured by local retail goods and service outlets if they satisfy the needs, desires and the shopping aspirations of the Winters trade area residents.

## RETAIL SALES LEAKAGE POTENTIAL

Projecting one-half of the retail sales leakage as achievable, the \$16 million of target retail leakage equates to a current demand for approximately 128,000 square feet of additional goods and service establishments. This assumes that the new goods and service establishments would be consistent with the previous demand analysis.

With the projected build-out to 14,000 population in the Winters' trade area, the level of spendable income available will increase to a total of \$98 million (current dollars) if spendable income stays consistent with the change in per capita income. If approximately one-half of that income spending is captured by retail goods and service establishments in the Winters' community, approximately 392,000 square feet of commercial space will be needed.





### INTRODUCTION

Based upon a review and analysis of the demographics, the lifestyle database, the product/service preference information, the commercial marketplace index and intensive on-site interviews, the following observations are offered to explain and highlight some of the dynamics involved in the retail-commercial development of the Winters Downtown. Following the observations, the key issues which will impact development are identified and recommendations are provided to assist with implementation.

### OBSERVATIONS

---

- The Winters community is stable and growing with a strong but non-diversified economic base. Overall, Winters is an agricultural/agribusiness community with a growing commuter resident base. The commuter base will allow the community to move ahead and/or maintain itself if it takes advantage of the economic opportunities provided by the resident population.
- The Community at large sees and believes in the need for an economically viable downtown. Historically, the downtown has served as the retail and cultural center and, in many ways, represents the roots of the Winters community. Support for strengthening its economic viability exists.
- The visual image of the downtown area is characterized by the old "historic" buildings, which are very important.
- The majority of the Winters' Trade Area current potential is based on the moderate and budget priced goods. Whether or not this will be true of the new residents representing the majority of the built-out

population is unclear at this time.

- A significant portion of the spendable income of the residents in the Winters Trade Area can be captured by local retail goods and service establishments, but it cannot be business as usual. Good marketing, good merchandising and appropriate pricing (value for price) are necessary.
- The Public Sector (City) has a role in the continued development of Winters Downtown. It should focus on incentive/subsidy funding for building improvements, management/organization seed funding and leadership, infrastructure upgrading, and commercial development management.
- Based on the MPI, which is a determination of the market potential of Downtown Winters, a demand exists for the following types of establishment groupings.
  - Department Store Related
  - Clothing Related
  - Leisure & Miscellaneous Related
  - Banking and Finance
  - Office: Insurance, Real Estate, Legal
  - Office: Medical
  - Drug & Proprietary Stores
  - Entertainment Related
  - Tourism Related



## ISSUES

The following issues originated from the personal interviews and conversations with city staff, merchants and consumers.

- What are the existing economic conditions including retailing and employment and why?

The general consensus evolved around descriptive words like steady, dreadful, struggling and slow, but steadily improving.

- What are the current strengths of Winters Downtown?

The consensus answer was the atmosphere provided by the old buildings. Other popular responses were friendly, and small country town.

- What are the current shortcomings of Winters' Downtown?

There were many different answers with some of the more popular being lack of shopping and inventory variety, lack of access to funding for building upgrading, lack of strong cohesive organization, peoples' attitudes and nothing happens.

- Based on the expected development of new dwelling units and an expected community population of approximately 14,000, what should happen to the Winters' Downtown?

The consensus answer was development of the property fronting on the east side of Railroad Avenue. Other popular responses included satisfying the shopping needs of the local residents; parking, particularly behind the buildings; non-retail uses upstairs and out of store fronts.

- Based on the growth mentioned above, what should happen to other areas of the City regarding commercial development?

Some of the more popular responses focused on the freeway commercial being developed with uses that would not normally locate in a downtown area; the inevitable shopping centers primarily should have convenience goods, and the other uses (shopping and specialty) should be saved for the downtown area; and controls by the City dictating that the downtown area, including Railroad Avenue commercial area, be developed before any shopping centers are allowed.



- Any other thoughts about Winters' Downtown?

A common response was aimed at the need for sympathetic City government (Council, Planning Commission and Staff) who want to see the community grow to at least 14,000 population. The length of time estimated for this build-out was anywhere from a minimum of five to 20 years, with 10 being the most popular answer. Many other suggestions were received; all are listed in the appendices of the full report. These appendices and the commercial market report should be considered and discussed in detail.



## RECOMMENDATIONS

### Economic Development Program

A policy statement regarding the operation and development of the downtown area is needed. This will establish a common understanding of the downtown's mission among all participants in the operation and management of the downtown area.

This broad policy or "mission" statement is accompanied by the necessary goals and objectives to serve as the guide for the future.

### Mission Statement

Winters' Downtown is to serve the residents of Winters and the surrounding areas and visitors to Winters as the economically viable commercial, governmental, cultural and entertainment center of the community. This is to be accomplished in a physical setting that captures and portrays the early heritage of Winters along with the atmosphere of a successful small valley town.

### GOALS

---

- All downtown buildings should be improved to be consistent with a high quality physical and visual standard to be established for downtown buildings. The retro-fitting of the unreinforced masonry buildings in Winters' Downtown should be the highest priority project.
- The Winters Chamber of Commerce and its Downtown Committee should be increased along with its community wide program of promotion and business expansion and enhancement.
- The full commercial build-out of the Winters Downtown Area is a priority for the development of retail and mixed use facilities. That commercial development should include retail outlets that provide shopping and specialty goods. Other priority uses are theme eating/drinking establishments, entertainment and cultural facilities, and non-retail office uses.
- A pro-active program is needed to recruit quality businesses for all available commercial space with particular emphasis on retailing outlets in store front locations and non-retailing uses to the upper floor space.





- Public projects that result in an increase in pedestrians in the downtown area should be encouraged and developed.
- Continued physical improvement of the downtown area including both upgrading the infrastructure and downtown beautification.
- More “customers” attracted to Downtown Winters.

When faced with a downtown that does not fulfill expectations, the tendency of many is to treat downtown as a physical object that just needs painting, pruning and polishing. It is more difficult to understand and to work with downtown’s business and social aspects — downtown as a place for commercial and social activity and for people.



The public expects better management of its downtown and downtown businesses, rather than radical design changes. It wants easy access to quality (value for price) goods, services and events.

In order to fulfill the mission statement and to accomplish the goals, all facets of the downtown area must be in “sync” with what the public expects from the center of town. All facets of Winters Downtown must be developed and upgraded and must perform at an acceptable level.

The economic/commercial revitalization program is based on an understanding of the characteristics of the downtown area, its weaknesses and its strengths. This program grows out of the information accumulated, an understanding of that data, and information and recommendations on strategy and implementation.

## Management/Organization and Promotions

Presently, the Winters’ Chamber of Commerce is the private business organization in Winters. The Chamber of Commerce can serve in the role usually performed by a downtown association. In order for the Chamber to be effective, the entire program should be expanded financially and operationally.

The Chamber should continue and expand its program of downtown promotions, not all of which need be aimed at directly increasing the level of retail sales by downtown businesses. Some events should have as their goal use of the downtown venue because it is the central point of the community.

The Chamber should expand its role as the private economic development organization whose aim is to attract quality businesses to Winters.

In general, the Chamber should become the City’s partner in expanding the commercial business community.

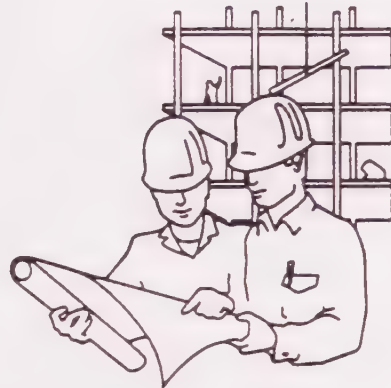
## Market Analysis

The Commercial Marketplace Report (CMR), includes an analysis of the existing retail market conditions and the opportunities that now exist and will exist in the future.

The CMR should be widely distributed, discussed and understood. It can serve as important planning data and information during the Winters General Plan update and the implementation of the general plan.

## Business Mix/Land Use

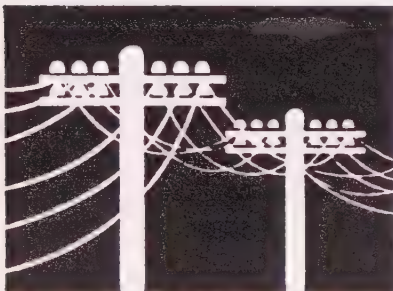
Winters' Downtown provides many development opportunities on both vacant land and in vacant building space. The single highest priority is the structural stabilization of the unreinforced two story buildings along Main Street. This will provide space in the downtown area to satisfy some of the existing and projected demand for commercial space. Non-retail uses should be located in upper floor space and in other non-storefront building areas.



The one vacant parcel on Main Street should be developed, preferably as a two story building to provide the maximum amount of building space in the downtown area.

Additional commercial space, in mixed use developments, should be developed on the vacant and generally underutilized property fronting on Railroad Avenue between the Community Center and Grant Avenue.

## Infrastructure



Downtown Winters has the basic infrastructure in place to continue to service the existing businesses and to service additional businesses which would be developed on the vacant and underutilized property identified in the Business Mix/Land Use section above.

There is the need, however, to address upgrading the downtown area's storm drainage system, water distribution system, and curb-gutters-sidewalks repair/replacement, along with the task of undergrounding the existing electrical and telephone system.



## Public Urban Design

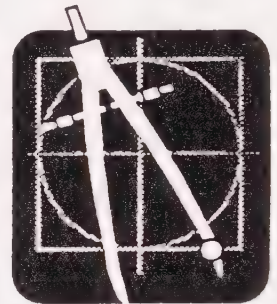
Additional improvements can be added to the downtown area to enhance its physical appearance. In both design and materials, these should be consistent with, and should portray, the image and the mission statement theme of Winters' Downtown. A downtown physical improvement plan is needed to update the plan completed in 1978.

Physical changes to the public areas, however, will result only in a token return if the private improvements are not enhanced and expanded, including the buildings and even more importantly, the businesses in the downtown area.

## Private Building Improvements and Design

The City of Winters should cause the Downtown unreinforced masonry structures to be retro-fitted by providing financial incentive/subsidy funding. This will provide available upper floor space for non-retail uses of the commercial buildings. This retro-fitting also will eliminate a questioning "cloud" regarding the future of these buildings. It is unlikely that demolition of the buildings would ever be permitted without public controversy.

In May 1985, the Winters historic preservation ordinance was adopted, establishing the Historic Preservation Commission and including a list of inventoried sites mostly located on Main Street. In February 1988, the Planning Commission assumed the duties of the Historic Preservation Commission. The ordinance established Historic District One and provided the Planning Commission with plan review responsibilities for any changes proposed for structures in the district.



The City does not have a published set of design guidelines and standards for the historic district, and needs not only the guideline and standard verbiage, but also a design handbook which would include sketches of examples of acceptable design elements.

Specific design standards and guidelines are needed for the balance of the downtown area and for the property fronting along Railroad Avenue between Main Street and Highway 128. These standards and guidelines are necessary so that the intent of the mission statement can be realized.

Development of the Railroad Avenue property should be guided by development policy standards such as those listed here as a sampling:

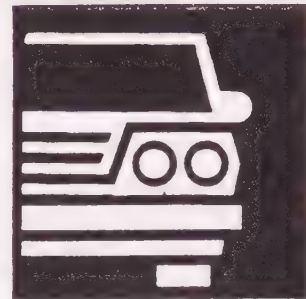
- The buildings and their uses should be an extension of the Downtown Main Street area and should not be suburban commercial type developments.

- The buildings should be placed on the parcels close to the front (Railroad Avenue) property line, set back only minimally for landscaping.
- The developments should predominantly be occupied by retailing with a minimal of non-retailing offices. These non-retailing uses should be located in mezzanines and upper floors and in locations with limited pedestrian access.
- The commercial development owners should join with the other owners on the block for a coordinated parking development. Parking should not be located along Railroad Avenue frontage.

## Parking

Winters' Downtown does not now have a traditional parking problem. However, a shortage of parking will occur as more property is developed and occupied in both existing buildings and on vacant parcels.

The street parking should be available for short term customer parking. All day business owner and employee parking should be located at the rear of the buildings and on the public lot at Main Street and Railroad Avenue.



As the space in the upper floors of the unreinforced masonry buildings becomes occupied, particularly with offices uses, more space specifically allocated to long term parking will be needed. Without some form of a parking control program, even greater problems will develop with the all day parking in the public spaces along Main Street and along Railroad Avenue.

## Traffic

There do not appear to be traffic problems associated with the downtown area, with the exception of the rebuilding of the Railroad Avenue bridge at some time in the future and the affect the construction would have on vehicular accessibility to Winters Downtown from the area south across the creek.

## Financing/Implementation

The Winters Downtown financial outlook can be characterized as fragile but one of expectation from the private sector side as well as from the public sector-local government side.



It is fragile not only because of the level of sales, but because of the lack of a critical mass of commercial retailing outlets. It is fragile also because property and business owners take a risk with any decisions made prior to the time when the existing moratorium on residential development is lifted. In lieu of that moratorium being lifted, the task is to redistribute the current level of spendable income. In the Marketplace section above, we have indicated that this can be done to a certain level of retail sales and in certain retail categories.

The outlook can be characterized as one of expectation because, if there can be subsidy funds generated for the retro-fitting of the two story buildings in the downtown area and if this construction work can take place in a timely manner, the inventory of non-retail space will be available to market, and the expansion of Winters' Downtown will commence.

A variety of financing needs remain in the fulfillment of the economic development of Winters' Downtown. Both the public and private members of the partnership have needs. These are summarized here and more completely enumerated in Section 7, Implementation.



- The economic development/revitalization of Winters Downtown should be programmed to be accomplished over a five year period. This provides a realistic project period of time to schedule, finance and implement the various project elements.
- The highest priority projects are:

Public — Provide access to incentive/subsidy funding for the retro-fitting of the unreinforced masonry structures.

Private — Provide technical assistance to the Chamber of Commerce so that, with the City's assistance, it can market and establish a business improvement district as a base funding source for both the citywide and downtown business assistance and support programs.



## APPENDIX 1 — PRODUCT/SERVICE PREFERENCE LISTING

---





## PRODUCT/SERVICE PREFERENCE LISTING WINTERS TRADE AREA

---

### CIVIC PARTICIPATION PREFERENCE

---

INDEX	TITLE
107	Belong To A Union
173	Belong To A Fraternal Order
125	Belong To A Religious Club
219	Belong To A Veterans Club
35	Contribute \$50+ PBS TV Last Year
132	Contact Editor/Government Official

---

### TOBACCO LIFESTYLE PREFERENCE

---

INDEX	TITLE
180	Smoke Non-Filter Cigarettes
76	Smoke Menthol Cigarettes
130	Chewing Tobacco Heavy Users



NOTE: AN INDEX OF 100 REPRESENTS THE NATIONAL NORM. FOR RESTRICTED USE ECONOMIC DEVELOPMENT SERVICES. COPYRIGHT 1990, CLARITAS CORPORATION

---

## ALCOHOLIC BEVERAGE LIFESTYLE PREFERENCE

---

INDEX	TITLE
25	Drank Malt Liquor Last Month
67	Drank Imported Beer Last Week
138	Drank Light Beer Last Week
80	Drank Domestic Wine Last Week
93	Drank Wine Coolers Last Month
57	Drank Imported Wine Last Week
67	Drank Sangria/Pop Wine Last Week
107	Drank Cognac/Brandy Last Month
83	Rum Heavy Users
79	Drank Scotch Last Month
75	Drank Gin Last Month



---

## HOUSEHOLD LIFESTYLE PREFERENCE

---

INDEX	TITLE
60	Use Professional Exterminators
109	Ceiling Fan Last Year
130	Automatic Dishwasher Last Year
100	Microwave Last Year
76	\$150+ Property Maintenance
96	Use Maid/Housekeeper
85	Use A Cleaning Service
148	<\$40 Grocery Shopping Weekly
70	\$150+ Grocery Shopping Weekly
107	Pain Relievers Heavy Users
126	Take Vitamins
37	\$60+ Dry Cleaning Last 6 Mos.



NOTE: AN INDEX OF 100 REPRESENTS THE NATIONAL NORM. FOR RESTRICTED USE ECONOMIC DEVELOPMENT SERVICES. COPYRIGHT 1990, CLARITAS CORPORATION

---

## RECREATION & LEISURE LIFESTYLE PREFERENCE

---

INDEX	TITLE
112	Own A Power Boat <16 Feet
119	Own A Power Boat 16+ Feet
166	4+ Overnight Camp Trips Last Year
67	Go To Movies
22	Go To Gambling Casinos
102	Bought Stereo Equipment
107	Bought Camera Accessories
108	Bought 35 mm Camera Last Year
104	Heavy Users of Film
91	Bought VCR Last Year
91	<\$1000 Total Computer System
71	\$1000+ Total Computer System
130	Go Hiking
139	Cross Country/Downhill Skiers
159	Go Fresh Water Fishing
53	Go Salt Water Fishing
108	Go Golfing
194	Hunting with Rifle/Shotgun
53	Play Racquetball
77	Go Sailing
69	Go Scuba Diving/Snorkeling
108	Play Softball
83	Play Tennis
113	Play Volleyball
101	Do Weight Lifting
94	Go To Automobile Races
103	Go To Baseball Games
71	Go To College Basketball Games
43	Go To Pro Basketball Games
74	Go To College Football Games
75	Go To Pro Football Games
52	Go To Horse Races
110	Take Adult Education Courses
78	Go To Aerobic Exercise Class
85	Go To Music/Dance Performances
79	Go To The Theater
132	Outdoor Gardening Once A Week
92	15+ Lottery Tickets Last Month



NOTE: AN INDEX OF 100 REPRESENTS THE NATIONAL NORM. FOR RESTRICTED USE ECONOMIC DEVELOPMENT SERVICES. COPYRIGHT 1990, CLARITAS CORPORATION

---

## TRAVEL LIFESTYLE PREFERENCES

---

INDEX	TITLE
62	Have A Passport
70	2+ Foreign Trips Last 3 Years
72	Took A Scheduled Flight
85	Took A Cruise
101	4+ Domestic Trips Last Year
98	Used Charter/Tour Bus
85	Traveled By Domestic Railroad

---

## READING LIFESTYLE PREFERENCES

---

INDEX	TITLE
101	Bought 20+ Books Last Year
100	Buy Hardcover Non-Fiction
105	Buy Self-Help Books
115	Religious Books (Not Bibles)

---

## MUSIC LIFESTYLE PREFERENCES

---

INDEX	TITLE
60	Buy Black Gospel Music
96	Buy Classical Music
106	Buy Christian/Faith Music
162	Buy Country Music
100	Buy Easy Listening Music
52	Buy Jazz Music
84	Buy New Wave Music
111	Buy Hard Rock Music
116	Buy Medium Rock Music
120	Buy Soft Rock Music



NOTE: AN INDEX OF 100 REPRESENTS THE NATIONAL NORM. FOR RESTRICTED USE ECONOMIC DEVELOPMENT SERVICES. COPYRIGHT 1990, CLARITAS CORPORATION



---

## ALCOHOLIC PRODUCT PREFERENCE

---

INDEX	TITLE
105	Domestic Beer Heavy Users
35	Imported Beer Heavy Users
120	Drink Low Cal Domestic Beer
79	Drink Domestic Wine
72	Drink Imported Wine
69	Drink Sangria/Party Wine
90	Drink Whiskey
83	Drink Brandy, Cognac, Liqueurs

---

## NON-ALCOHOLIC PRODUCT PREFERENCES

---

INDEX	TITLE
85	Diet Cola Heavy Users
87	Drink Caffeine-Free Diet Coke
84	Drink Diet Coke
77	Drink Diet Rite Cola
72	Drink Diet Pepsi Free
108	Drink Pepsi Lite
121	Drink Diet Pepsi
52	Drink Tab
96	Regular Cola Heavy Users
61	Drink Caffeine-Free Coke
86	Drink Coca-Cola Classic
100	Drink Pepsi-Cola
101	Drink Pepsi Free
50	Drink Royal Crown Cola
107	Drink Other Diet Soft Drinks
88	Other Carbonated Soft Drinks
57	Drank Bottled Water Last Week



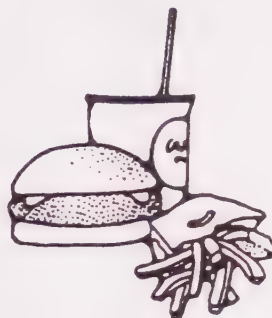
NOTE: AN INDEX OF 100 REPRESENTS THE NATIONAL NORM. FOR RESTRICTED USE ECONOMIC DEVELOPMENT SERVICES. COPYRIGHT 1990, CLARITAS CORPORATION

---

## RESTAURANT PRODUCT PREFERENCE

---

INDEX	TITLE
82	Eat At Fast Food Restaurants
75	Fast Food Fish Restaurants
63	Fast Food Chicken Restaurants
92	Fast Food Burger Restaurants
114	Fast Food Pizza Restaurants
104	Fast Food Mexican Restaurants
88	Family/Steak Restaurants

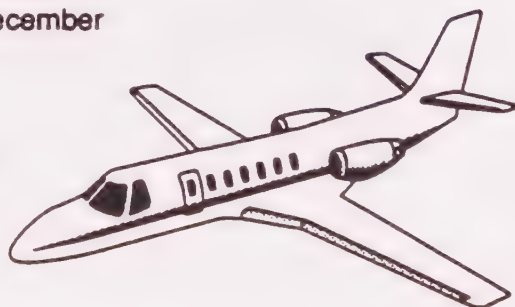


---

## TRAVEL PRODUCT PREFERENCE

---

INDEX	TITLE
115	Hotel/Motel Business Trip
94	Hotel/Motel Personal Trip
52	Caribbean In Last 3 Years
70	Western Europe In Last 3 Years
60	Japan, Asia, Other Last 3 Years
76	Used Travel Agent/Foreign Trip
71	Took A Foreign Trip January-March
73	Took A Foreign Trip April-June
65	Took A Foreign Trip July-September
67	Took A Foreign Trip October-December
66	Took 1st Class Foreign Trip
113	Domestic Business Trip Last Year
93	Domestic Vacation Trip Last Year
98	Took Domestic Trip January-March
98	Took Domestic Trip April-June
85	Took Domestic Trip July-September
101	Took Domestic Trip October-December
79	Used Travel Agent US Trip
41	3+ Plane Trips For Business
59	3+ Personal Plane Trips
74	Spent \$1K+ Domestic Vacation



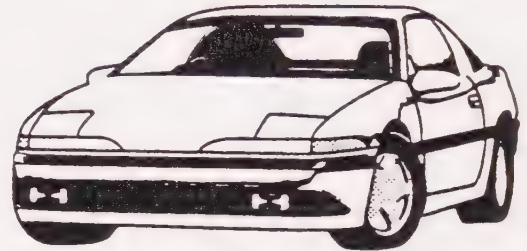
NOTE: AN INDEX OF 100 REPRESENTS THE NATIONAL NORM. FOR RESTRICTED USE ECONOMIC DEVELOPMENT SERVICES. COPYRIGHT 1990, CLARITAS CORPORATION

---

## AUTOMOTIVE PRODUCT PREFERENCE

---

INDEX	TITLE
64	Own A Sub-Compact Car
89	Own A Compact Car
82	Own Intermediate Size Car
112	Own A Standard Size Car
87	Own A Luxury Size Car
83	Own A Buick
71	Own A Cadillac
105	Own A Chevrolet
102	Own A Chrysler
107	Own A Dodge
111	Own A Ford
84	Own A Lincoln
79	Own A Mercury
101	Own An Oldsmobile
100	Own A Plymouth
108	Own A Pontiac
112	Own A Convertible
77	Own A 2-Door Sports Coupe
94	Own A 4-Door Sedan
85	Own A 2-Door Sedan
124	Own A Station Wagon
95	Own A 3-Door Hatchback
97	Purchased Car With Cash
111	Purchased Car With Trade-In
88	Used Dealer Financing
106	Bought Car With A Bank Loan
95	Used Credit Union Car Loan
95	Used Manufacturer Financing
82	Member Of An Auto Club
90	Own A New Domestic Car
64	Own An Import Car Bought New
73	Bought A New Car Last Year
92	Bought A Used Car Last Year
73	Personally Lease A Car
89	Use Employer Owned/Leased Car
50	Rented Car For Business Last Year
68	Rented Personal Car Last Year



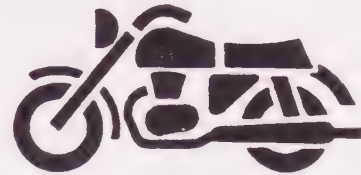
NOTE: AN INDEX OF 100 REPRESENTS THE NATIONAL NORM. FOR RESTRICTED USE ECONOMIC DEVELOPMENT SERVICES. COPYRIGHT 1990, CLARITAS CORPORATION

---

## TRUCK & RECREATION VEHICLE PRODUCT PREFERENCE

---

INDEX	TITLE
152	Own A Compact Pick-Up Truck
194	Own A Standard Size Pick-Up
172	Own A Mini-Van
154	Own A Sport/Utility Vehicle
145	Bought A New Compact Pick-Up
184	Bought A New Standard Pick-Up
145	Bought A New Mini-Van
132	Bought New Sport/Utility Vehicle
142	Own A Motorcycle
181	Own A Camper

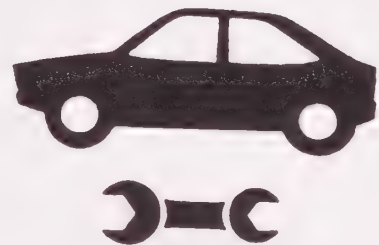


---

## AUTOMOTIVE AFTERMARKET PRODUCT PREFERENCE

---

INDEX	TITLE
127	Oil Filter Installed By Self
108	Oil Filter Changed At Garage
118	Air Filter Installed By Self
115	Air Filter Changed At Garage
113	Motor Oil Changed By Self
98	Motor Oil Changed At Garage
115	Spark Plugs Changed By Self
89	Spark Plugs Changed At Garage
97	Shocks Changed By Self
101	Shocks Changed At Garage
101	Car Battery Installed By Self
92	Car Battery Changed At Garage
93	Car Battery At Car Parts Store
66	Bought Car Battery At Sears
106	Bias Belted/Ply Tires Last Year
113	Bought Radial Tires Last Year
103	Bought Firestone Tires Last Year
97	Bought Goodyear Tires Last Year
110	Bought Michelin Tires Last Year
81	Bought Sears Tires Last Year



NOTE: AN INDEX OF 100 REPRESENTS THE NATIONAL NORM. FOR RESTRICTED USE ECONOMIC DEVELOPMENT SERVICES. COPYRIGHT 1990, CLARITAS CORPORATION



---

## STORE PREFERENCE

---

INDEX	TITLE
126	Shopped At J.C. Penney
108	Shopped At K-Mart
75	Shopped At Montgomery Ward
86	Shopped At Sears
104	Shopped At Woolworth/Woolco



---

## READING PRODUCT PREFERENCE

---

INDEX	TITLE
94	Buy Hardcover Novels
100	Buy Hardcover Non-Fiction
106	Bought From A Book Club
87	Buy From A Book Store
120	Buy Books By Mail Order

---

## HOUSEHOLD PRODUCT PREFERENCE

---

INDEX	TITLE
148	Paint At Hardware Store
123	Acquired Tools Last Year
86	Own Electric Chain Saw
171	Own Gas Chain Saw
145	Gas Lawn Mower Last Year
66	\$50+ On Towels Last Year
78	\$50+ Sheet/Pillowcase Last Year
108	Electric Blankets Last Year
99	\$25+ Other Blankets Last Year
108	Automatic Washing Machine
114	Electric/Gas Dryer Last Year
88	Vacuum Cleaner Last Year
87	Belong To A Video Club
86	Own A VCR
103	\$300+ TV Set Last Year



NOTE: AN INDEX OF 100 REPRESENTS THE NATIONAL NORM. FOR RESTRICTED USE ECONOMIC DEVELOPMENT SERVICES. COPYRIGHT 1990, CLARITAS CORPORATION

---

## MALE CLOTHING PRODUCT PREFERENCE

---

INDEX	TITLE
103	All-Weather Coat Last Year
65	Overcoat Last Year
92	Sports Clothing Last Year
90	<\$150 Business Suit Last Year
58	\$150+ Business Suit Last Year
73	<\$100 Sport Jacket Last Year
40	\$100+ Sport Jacket Last Year
101	Lightweight Jacket Last Year
74	Designer Jeans Last Year
78	Swimsuit Last Year
95	Sport Shirts Last Year
80	<\$50 Slacks Last Year
57	\$50+ Slacks Last Year
135	<\$25 Jeans Last Year
110	\$25+ Jeans Last Year
91	<\$25 Sweater Last Year
90	\$25+ Sweater Last Year
110	<\$25 Reg/Dress Shirt Last Year
58	\$25+ Reg/Dress Shirt Last Year
88	1 Pair Athletic Shoes Last Year
99	2+ Pair Athletic Shoes Last Year
133	Bought Work Boots Last Year
73	<\$50 Dress Shoes Last Year
64	\$50+ Dress Shoes Last Year



NOTE: AN INDEX OF 100 REPRESENTS THE NATIONAL NORM. FOR RESTRICTED USE ECONOMIC DEVELOPMENT SERVICES. COPYRIGHT 1990, CLARITAS CORPORATION

---

## FEMALE CLOTHING PRODUCT PREFERENCE

---

INDEX	TITLE
114	1-2 Blouses/Shirts Last Year
91	3+ Blouses/Shirts Last Year
103	Cloth Coat Last Year
76	Designer Jeans Last Year
69	2+ Designer Jeans Last Year
93	1-2 Dresses Last Year
63	3+ Dresses Last Year
61	Fur Coat, Jacket, Stole Last Year
109	Sports Clothing Last Year
126	1-2 Pair Jeans Last Year
116	3+ Pair Jeans Last Year
115	Pant Suit Last Year
94	Raincoat Last Year
93	1-2 Skirts Last Year
58	3+ Skirts Last Year
105	1-2 Pair Slacks Last Year
97	3+ Pair Slacks Last Year
121	1-2 Sweaters Last Year
80	3+ Sweaters Last Year
108	Swimsuit Last Year
62	2+ Swimsuits Last Year
75	<\$100 Suit With Skirt Last Year
47	\$100+ Suit With Skirt Last Year
98	Athletic Shoes Last Year
73	2+ Athletic Shoes Last Year
92	<\$50 Dress Shoes Last Year
69	\$50+ Dress Shoes Last Year



NOTE: AN INDEX OF 100 REPRESENTS THE NATIONAL NORM. FOR RESTRICTED USE ECONOMIC DEVELOPMENT SERVICES. COPYRIGHT 1990, CLARITAS CORPORATION





## APPENDIX 2 — COMMERCIAL MARKETPLACE POTENTIAL

---



# COMMERCIAL MARKETPLACE REPORT (BY SIC) — WINTERS, CA., TRADE AREA

ESTABLISHMENT TYPE	CURRENT SUPPLY			CURRENT POTENTIAL			BUILD-OUT POTENTIAL		
	SIC	ESTABS	EMPLS	MPI*	ESTABS	EMPLS	MPI*	ESTABS	EMPLS
TRAVEL AGENTS	4722	1	2	0.61	0	0	1.68	0	1
LUMBER & OTHER BUILDING MATERIALS	5211	2	4	0.50	0	0	1.36	0	1
PAINT, GLASS, AND WALLPAPER STORES	5231	1	2	0.12	0	0	0.31	0	0
HARDWARE STORES	5251	2	7	0.10	0	0	0.27	0	0
RETAIL NURSERIES AND GARDEN STORES	5261	4	12	0.12	0	0	0.31	0	0
MOBILE HOME DEALERS	5271	0	0	0.00	0	0	0.00	0	0
DEPARTMENT STORES	5311	0	0	3.07	1	3	8.40	1	8
VARIETY STORES	5331	0	0	0.00	0	0	0.00	0	0
MISC. GENERAL MERCHANDISE STORES	5399	1	13	0.05	0	0	0.15	0	0
GROCERY STORES	5411	3	67	0.93	0	0	1.68	2	0
MEAT AND FISH (SEAFOOD) MARKETS	5423	0	0	0.23	0	0	0.63	1	1
FRUIT STORES AND VEGETABLE MARKETS	5431	0	0	0.00	0	0	0.00	0	0
CANDY, NUT AND CONFECTIONERY STORES	5441	0	0	0.69	0	1	1.89	1	2
DAIRY PRODUCTS STORES	5451	0	0	0.69	0	1	1.89	1	2
RETAIL BAKERIES	5460	0	0	1.53	1	2	4.20	1	4
MISCELLANEOUS FOOD STORES	5499	4	16	0.00	0	0	0.00	0	0
NEW AND USED CAR DEALERS	5511	0	0	10.20	1	10	27.92	2	28
USED CAR DEALERS	5521	0	0	0.23	0	0	0.63	1	1
AUTO AND HOME SUPPLY STORES	5531	5	19	0.11	0	0	0.31	0	0
GASOLINE SERVICE STATIONS	5541	4	9	0.93	0	0	2.54	3	14
BOAT DEALERS	5551	0	0	0.00	0	0	0.00	0	0

\* MPI (MARKETPLACE POTENTIAL INDEX) MEASURES THE DEGREE OF DEVELOPMENT POTENTIAL IN THE ENTIRE MARKET AREA. AN INDEX OF 1.05+ INDICATES POTENTIAL, LESS THAN .95 INDICATES OVERSUPPLY.

ESTABLISHMENT TYPE	CURRENT SUPPLY			CURRENT POTENTIAL			BUILD-OUT POTENTIAL		
	SIC	ESTABS	EMPLS	MPI*	ESTABS	EMPLS	MPI*	ESTABS	EMPLS
RECREATION AND UTILITY TRAILER DEALERS	5561	0	0	1.30	0	1	3.57	1	4
MOTORCYCLE DEALERS	5571	0	0	0.00	0	0	0.00	0	0
MEN'S & BOYS' CLOTHING AND FURNISHINGS	5611	0	0	0.23	0	0	0.63	1	1
WOMEN'S READY-TO-WEAR STORES	5621	0	0	0.61	1	1	1.68	2	2
WOMEN'S ACCESSORY & SPECIALTY STORES	5631	0	0	0.23	0	0	0.63	1	1
CHILDREN'S AND INFANTS' WEAR STORES	5641	0	0	0.00	0	0	0.00	0	0
FAMILY CLOTHING STORES	5651	0	0	0.23	0	0	0.63	1	1
SHOE STORES	5661	0	0	0.00	0	0	0.00	0	0
FURRIERS AND FUR SHOPS	5681	0	0	0.00	0	0	0.00	0	0
MISCELLANEOUS APPAREL & ACCESSORIES	5699	1	2	0.12	0	0	0.31	0	0
FURNITURE STORES	5712	1	2	0.31	0	0	0.84	0	0
FLOOR COVERING STORES	5713	1	2	0.00	0	0	0.00	0	0
DRAPERY AND UPHOLSTERY STORES	5714	0	0	0.00	0	0	0.00	0	0
MISC. HOME FURNISHINGS STORES	5719	0	0	0.00	0	0	0.00	0	0
HOUSEHOLD APPLIANCE STORES	5722	1	2	0.12	0	0	0.31	0	0
RADIO AND TELEVISION STORES	5732	1	6	0.04	0	0	0.10	0	0
MUSIC-RECORD STORES	5733	0	0	0.00	0	0	0.00	0	0
EATING PLACES	5812	8	58	0.65	0	0	1.78	9	45
DRINKING PLACES	5813	1	7	0.15	0	0	0.42	1	0
DRUG STORES AND PROPRIETARY STORES	5912	1	7	0.76	0	0	2.07	2	7
LIQUOR STORES	5921	2	6	0.29	0	0	0.80	0	0
USED MERCHANDISE STORES	5931	1	2	1.80	1	2	4.93	1	8
SPORTING GOODS AND BICYCLE SHOPS	5941	1	2	0.00	0	0	0.00	0	0

\* MPI (MARKETPLACE POTENTIAL INDEX) MEASURES THE DEGREE OF DEVELOPMENT POTENTIAL IN THE ENTIRE MARKET AREA. AN INDEX OF 1.05+ INDICATES POTENTIAL, LESS THAN .95 INDICATES OVERSUPPLY.



ESTABLISHMENT TYPE	CURRENT SUPPLY			CURRENT POTENTIAL			BUILD-OUT POTENTIAL		
	SIC	ESTABS	EMPLS	MPI*	ESTABS	EMPLS	MPI*	ESTABS	EMPLS
BOOK STORES	5942	0	0	0.00	0	0	0.00	0	0
STATIONERY STORES	5943	0	0	0.00	0	0	0.00	0	0
JEWELRY STORES	5944	0	0	0.92	0	1	2.52	1	3
HOBBY, TOY, AND GAME SHOPS	5945	0	0	0.23	0	0	0.63	1	1
CAMERA & PHOTOGRAPHIC SUPPLY STORES	5946	0	0	0.00	0	0	0.00	0	0
GIFT, NOVELTY AND SOUVENIR SHOPS	5947	0	0	0.00	0	0	0.00	0	0
LUGGAGE AND LEATHER GOODS STORES	5948	0	0	0.00	0	0	0.00	0	0
SEWING, NEEDLEWORK, AND PIECE GOODS	5949	0	0	0.00	0	0	0.00	0	0
FLORISTS	5992	0	0	0.92	0	1	2.52	1	3
CIGAR STORES AND STANDS	5993	0	0	0.00	0	0	0.00	0	0
NEWS DEALERS AND NEWSSTANDS	5994	1	3	0.00	0	0	0.00	0	0
MISCELLANEOUS RETAIL	5999	3	6	0.26	0	0	0.70	0	0
COMMERCIAL AND SAVINGS BANKS	6020	1	13	0.89	0	0	1.68	1	0
SAVINGS AND LOAN ASSOCIATIONS	6120	0	0	0.69	0	1	1.89	1	2
CREDIT UNIONS	6142	0	0	0.00	0	0	0.00	0	0
MISC. PERSONAL CREDIT INSTITUTIONS	6149	0	0	0.23	0	0	0.63	1	1
BUSINESS CREDIT INSTITUTIONS	6150	0	0	0.00	0	0	0.00	0	0
MORTGAGE BANKERS AND BROKERS	6160	0	0	0.00	0	0	0.00	0	0
INSURANCE AGENTS, BROKERS & SERVICE	6411	1	2	0.81	0	0	2.21	1	2
REAL ESTATE AGENTS AND MANAGERS	6531	4	8	0.05	0	0	0.13	0	0
COMBINED REAL ESTATE, INSURANCE, ETC.	6611	1	2	0.00	0	0	0.00	0	0
HOTELS, MOTELS, AND TOURIST COURTS	7011	0	0	5.14	1	5	14.07	3	14
COIN-OPERATED LAUNDRIES AND CLEANING	7215	1	2	0.00	0	0	0.00	0	0

\* MPI (MARKETPLACE POTENTIAL INDEX) MEASURES THE DEGREE OF DEVELOPMENT POTENTIAL IN THE ENTIRE MARKET AREA. AN INDEX OF 1.05+ INDICATES POTENTIAL, LESS THAN .95 INDICATES OVERSUPPLY.

ESTABLISHMENT TYPE	CURRENT SUPPLY			CURRENT POTENTIAL			BUILD-OUT POTENTIAL		
	SIC	ESTABS	EMPLS	MPI*	ESTABS	EMPLS	MPI*	ESTABS	EMPLS
CARPET AND UPHOLSTERY CLEANING	7217	1	2	0.00	0	0	0.00	0	0
PHOTOGRAPHIC STUDIOS, PORTRAITS	7221	0	0	0.00	0	0	0.00	0	0
BEAUTY SHOPS	7231	4	13	0.24	0	0	0.65	0	0
BARBER SHOPS	7241	1	1	0.00	0	0	0.00	0	0
SHOE REPAIR AND HAT CLEANING SHOPS	7251	1	1	0.00	0	0	0.00	0	0
FUNERAL SERVICE AND CREMATORIES	7261	1	3	0.23	0	0	0.63	0	0
MISCELLANEOUS PERSONAL SERVICES	7299	4	6	0.04	0	0	0.10	0	0
EQUIPMENT RENTAL & LEASING (INCL. VIDEOS)	7394	2	4	0.06	0	0	0.16	0	0
PASSENGER CAR RENTAL AND LEASING	7512	0	0	0.00	0	0	0.00	0	0
TRUCK/TRAILER RENTAL AND LEASING	7513	0	0	0.00	0	0	0.00	0	0
AUTOMOTIVE REPAIR SHOPS	7530	5	9	0.34	0	0	0.93	0	0
CAR WASHES	7542	1	2	0.35	0	0	0.94	0	0
OTHER AUTOMOTIVE SERVICES	7549	0	0	0.00	0	0	0.00	0	0
RADIO AND TELEVISION REPAIR	7622	2	4	0.06	0	0	0.16	0	0
REFRIGERATION SERVICE AND REPAIR	7623	2	4	0.00	0	0	0.00	0	0
MISCELLANEOUS ELECTRICAL REPAIR SHOPS	7629	0	6	0.00	0	0	0.00	0	0
WATCH, CLOCK, AND JEWELRY REPAIR	7631	0	0	0.00	0	0	0.00	0	0
REUPHOLSTERY AND FURNITURE REPAIR	7641	0	0	0.23	0	0	0.63	1	1
MISCELLANEOUS REPAIR SERVICES	7690	0	0	0.92	0	1	2.52	1	3
MOTION PICTURE THEATERS EXCEPT DRIVE-IN	7832	0	0	0.00	0	0	0.00	0	0
BOWLING ALLEYS & BILLIARD ESTAB.	7930	0	0	0.69	0	1	1.89	1	2
COIN-OPERATED AMUSEMENT DEV (ARCADES)	7993	0	0	0.00	0	0	0.00	0	0
AMUSEMENT PARKS	7996	0	0	0.00	0	0	0.00	0	0

\* MPI (MARKETPLACE POTENTIAL INDEX) MEASURES THE DEGREE OF DEVELOPMENT POTENTIAL IN THE ENTIRE MARKET AREA. AN INDEX OF 1.05+ INDICATES POTENTIAL, LESS THAN .95 INDICATES OVERSUPPLY.

ESTABLISHMENT TYPE	CURRENT SUPPLY			CURRENT POTENTIAL			BUILD-OUT POTENTIAL		
	SIC	ESTABS	EMPLS	MPI*	ESTABS	EMPLS	MPI*	ESTABS	EMPLS
MEMBERSHIP SPORTS & RECREATION CLUBS	7997	0	0	0.23	0	0	0.63	1	1
OTHER RECREATION SERVICES	7999	0	0	0.23	0	0	0.63	1	1
OFFICES OF PHYSICIANS	8011	1	2	2.34	1	3	6.40	5	11
OFFICES OF DENTISTS	8021	2	2	1.53	1	3	4.20	1	3
OFFICES OF CHIROPRACTORS	8041	1	2	0.12	0	0	0.31	0	0
OFFICES OF OPTOMETRISTS	8042	1	2	0.73	0	0	1.99	0	2
OTHER OFFICES OF HEALTH PRACTITIONERS	8049	1	2	0.00	0	0	0.00	0	0
NURSING & PERSONAL CARE FACILITIES	8050	0	0	0.98	0	0	0.98	0	0
OUTPATIENT CARE FACILITIES	8081	0	0	0.98	0	0	0.98	0	0
OTHER HEALTH AND ALLIED SERVICES	8091	2	3	0.00	0	0	0.00	0	0
LEGAL SERVICES	8111	4	6	0.20	0	0	0.56	0	0
CHILD DAY CARE SERVICES	8351	2	5	0.58	0	0	1.60	0	3

\* MPI (MARKETPLACE POTENTIAL INDEX) MEASURES THE DEGREE OF DEVELOPMENT POTENTIAL IN THE ENTIRE MARKET AREA. AN INDEX OF 1.05+ INDICATES POTENTIAL, LESS THAN .95 INDICATES OVERSUPPLY.





## APPENDIX 3 — DESCRIPTION OF METHODOLOGIES

---



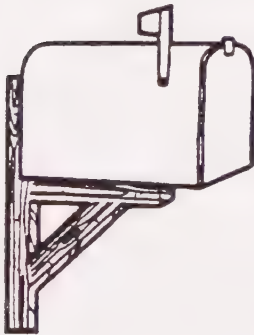
# THE CLARITAS LIFESTYLE CLUSTER METHODOLOGY

---

## INTRODUCTION

The analysis of consumer lifestyles and purchasing preferences for the trade area is based on a Cluster System developed by Claritas Corporation, Arlington, Va., a leading market research and demographics company serving the private sector.

A Cluster is a grouping of households exhibiting homogeneity in lifestyle and consumer patterns. Claritas has identified 40 such unique Clusters as currently descriptive of distinctive household groupings ("neighborhoods") in the U.S.



The Cluster System utilizes geo-demography, a new perspective which permits marketing demand and supply data to be linked, correlated, profiled and evaluated across the 40 Clusters, in addition to traditional univariate demographic data. The resulting 40-point lifestyle segmentation system is strong enough to explain and accurately predict consumer behavior at any local market level.

In 1974, Claritas developed three basic Cluster Systems, each using a different small area as a base: The ZIP-Market Cluster System, The Block-Group Cluster System, and The Census Tract Cluster System.

The ZIP-Market Cluster System is widely used by marketers selling ad-supported products via retail because ZIP's permit analysis and subsequent targeted marketing across the entire U.S. For the purposes of this analysis, however, an adaptation of The Block-Group Cluster System is used because it allows for a more accurate and detailed analysis for a specific area — the trade area.

All three Cluster Systems stem from the same basic approach to geo-demography developed by Claritas. The rationale for this ap-

DESCRIPTION OF METHODOLOGIES



proach, the methodology employed to create the Clusters, a discussion of how Clusters are used in the trade area, and a more detailed description of each Cluster group and individual Cluster follow.

## **RATIONALE**

The Cluster technology has as its foundation the concept that demographic variables which define homogeneous neighborhoods are significantly correlated to resident consumer purchase patterns. Persons hearing of the System for the first time often question the homogeneity of the Cluster System neighborhoods.

This is due to the fact that marketing perspectives have long been focused on univariate demography. There is a tendency to define homogeneity in a vertical context, implying that all persons living in a given neighborhood should somehow be identical, i.e., all nuclear families or swinging singles; all executives or hard hats; all rich or poor; all black or white. Almost all market studies for business districts describe the consumer population of the district merely in terms of size, income, tenure, etc.

However, these are univariate criteria, used over the past quarter century to segment and target mass markets. The Cluster System is a multivariate creation, designed to segment and target neighborhoods.

The word "homogeneous" may be correctly applied to any classification of things which have 1) a similar nature or 2) a uniform composition or 3) equivalent mathematical dimensions. It may describe a grouping of individuals or, with equal validity, a grouping of neighborhoods.

Obviously, all neighborhood residents are not identical. In an urban neighborhood, the jet-setter may live a block from the welfare recipient. In the rural neighborhood, the gentry may dwell amongst the villagers. Such are the realities of community structure, which in turn provide the building blocks of the Cluster System.

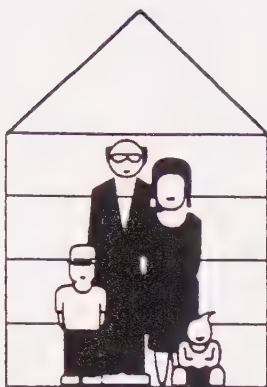
**Homogeneity, as employed by the Cluster System, means that all neighborhoods (for the trade area, all block groups) within a given Cluster will share highly similar lifestyles and predictable consumer behavior.** This point has been proven many times during the past seven years by hundreds of marketers.

## **THE CLUSTER METHODOLOGY**

### **Database — The U.S. Census**

The Claritas Clusters are based on the 1980 Decennial Census of Population and Housing, which serves as the foundation for most domestic marketing information systems.





Census measures go well beyond those commonly associated with "demography" (e.g., age, sex, income, etc.) to include highly detailed, tabulated statistics for:

- Marital status and family composition;
- Ethnicity, languages and national origins;
- Educational attainments and school attendance;
- Occupations and industrial classifications;
- Urbanization and household densities;
- Housing characteristics, rents and values;
- Residential tenure and mobility; and
- Possession of automobiles, appliances and household conveniences.

In all, the Census provides over 1,000 items of tabulated household demography, and this vast database is aggregated not only by Census Regions (9), states (50), SMSA's (329) and counties (3,141), but also by the Census Bureau's system of micro-geographic units (tracts/MCD's, block groups and enumeration districts).

Taken together, these data paint exceptionally vivid pictures of America's neighborhoods and communities and, while such Census micro units were never designed for business applications, they provided the building blocks to construct a powerful new system based on homogeneous Clusters.

## **Marketing Science**

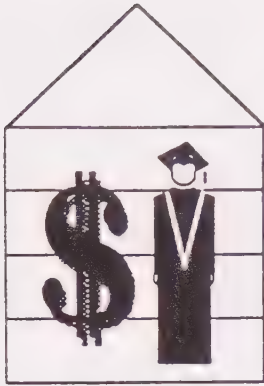
The 40 Clusters were created in three steps.

### **Step 1 — Census Data Into ZIP's**

In 1973, Claritas became (and remains) the only firm to prepare the complete U.S. Census database of 1,000+ items for 35,600 of the nation's residential ZIP Codes. This was done by reallocating Census micro data to each designated five-digit ZIP service area and route level. Each ZIP is a legitimate neighborhood of approximately 2,250 households and 6,300 people; these ZIP neighborhoods can be aggregated into many large contiguous marketing areas capable of being ranked and compared. (Claritas updates key data periodically, using Post Office "mail-drop" counts, Census Bureau update surveys and proprietary sources.)

### **Step 2 — Multivariate Factor Analysis**

In its second step, Claritas performed an exhaustive multivariate factor analysis on 535 basic measures of ZIP neighborhood demography.



These 535 variables covered an imposing range of population and household characteristics, broadly grouped into five domains:

- Measures of Education and Affluence;
- Measures of Family Life Cycle;
- Measures of Mobility;
- Measures of Ethnicity; and
- Measures of the Housing Stock and Degree of Urbanization.

This multivariate analysis produced 34 key factors, which “explain” (i.e., account for) 87 percent of the statistical variance among the neighborhoods.

### **Step 3 — Hierarchical Cluster Analysis**

In its third and final step, Claritas rated all 35,600 ZIP residential neighborhoods on each on the key factors developed in Step 2. The computer was then instructed as follows:

- Using all 34 key factor scores simultaneously, classify the 35,600 neighborhoods into unique types or “Clusters” by
- Maintaining maximum statistical distance between Clusters, and
- Creating maximum statistical homogeneity within clusters.

Several Cluster models were appraised (i.e., 25, 40, 60 and 100-Cluster models), and the 40 Cluster system was selected as the ideal compromise between discriminating power and manageability.

However difficult the clustering process may be to visualize, the resultant Clusters proved to be wholly valid and exceptionally vital. Once created, each Cluster was carefully studied and documented to present a holistic, demographic portrait of a unique American neighborhood lifestyle, including consumer needs and preferences. The result is a lucid, predictive, 40-point market segmentation system which offers no disembodied cross tabs, but can view actual neighborhoods as containing real consumers who live and shop.

### **General Use of the Cluster System**

The defined Clusters are completely cross-referenced to all standard market definitions (counties, SMSA's, TV Markets, states, etc.). In addition, using the ZIP Code linkage, they are connected to syndicates of product and media data, client-supplied surveys and customer files. The Cluster System has been successfully used for five years as a major

component of PRIZM. PRIZM, Claritas' geo-demographic segmentation and marketing system, provides a marketer with the power to know exactly how large his market is, where it is located and how to reach it most efficiently via distribution, media and promotion — at a local neighborhood level.

## THE 1980 CLUSTER SYSTEM

In the fall of 1983, Claritas completed its thorough evaluation of the 1980 Census results and its effects upon the existing Cluster System. The existing system used 1980 data, but was created from the 1970 Census.

The major trends observed in Claritas' 1983 analysis are:

- A sharp decline in average household size;
- A national decline of home ownership relative to rents;
- Static, aging homeowners in suburbs too costly for young families;
- The widespread emergence of pre-and post-child families;
- A retreat of nuclear families from urbanized areas;
- The growth of senior retirement and singles-dominated communities;
- A shifting of high-tech white-collar occupations to new suburbs and exurban boom towns;
- The declining industrial employment base;
- Rapid growth in non-metro, sunbelt and Western areas;
- The pronounced emergence of Black affluence;
- A breakdown of European solidarity in many old urban neighborhoods;



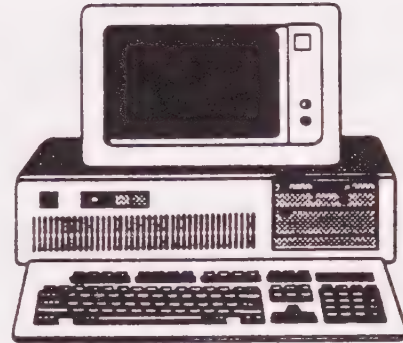


- New patterns of immigration; and
- The burgeoning Hispanic minority.

As a result of these changes, eight new Clusters emerged. The 32 remaining Clusters experienced various modifications.

## **SPECIFIC APPLICATION OF THE CLUSTER SYSTEM**

As mentioned earlier, for this analysis the Block-Group Cluster System is utilized. Approximately 215,000 Census micro-units of 1980 Census geography (Block Groups and Enumeration Districts), each averaging only 300 households, have been analyzed across the 40 Clusters and consequently assigned to one of the clusters.



Census block groups are administrative micro-units. They are too small to be considered "Neighborhoods" in the sense of supporting a commercial infrastructure or embracing a community lifestyle, but, being minuscule in size, most often are demographically more homogeneous than the ZIP's which surround them. They thus serve as an extremely accurate and flexible small area base for use in analyzing trade areas.

Because accurate trade areas definition is imperative, it is highly unlikely that the boundaries of a trade area could be adequately defined using only whole ZIP Codes; for the trade area, therefore, the availability of the Block-Group Cluster System provides significantly high quality data.

Because trade area definition is in terms of whole census tracts, which are readily translated into block groups, the Block Groups Cluster System data is easily accessible. Once this is accomplished, the Cluster mix for the trade area is determined by statistically aggregating the Cluster data of the Block Groups involved. Thus, the consumer composition of the trade area emerges in terms of cluster mix, and becomes a key component of the trade area analysis.

## **DESCRIPTIONS OF THE CLARITAS CLUSTER GROUPS AND INDIVIDUAL CLUSTERS**

Every ZIP, block group and census tract in a Cluster System has been computer-assigned to one of 40 Clusters. The Clusters have, in turn, been assigned to broad Cluster Groups. A description of each of the Cluster Groups and each of the Clusters is presented



below. These brief descriptions present the most significant national characteristics of the Clusters; more precise descriptions of the Clusters as they are found in the Trade Area appear in the text of the Report. These more precise descriptions are made possible by actual block group analysis of the Census data and by field analysis.

Each Cluster Group is identified by a Group Code and a Descriptive Title. Group Codes denote basic neighborhood types. Each Cluster is identified by a Cluster Number (randomly assigned by the computer during the creation of the Clusters), a Nickname (designed to capture the essence of a Cluster and trigger recollections), and a Thumbnail Description.

## **GROUP S1**

### **Educated, Affluent Executives & Professionals In Elite Metro Suburbs**

The three clusters in Group S1 are characterized by a) top socio-economic status, b) college-plus educations, c) executive and professional occupations, d) expensive owner-occupied housing, and e) conspicuous consumption levels for many products, goods and services. Representing only 4 percent of U.S. households, Group S1 contains about 20 percent of the national's \$50K+ household incomes, and an estimated third of its personal net worth.



#### **No. 28 — Blue Blood Estates**

America's wealthiest socio-economic neighborhoods, populated by super-upper established managers, professionals and heirs to "old money," accustomed to privilege and living in luxurious surrounds. One in 10 millionaires can be found in Cluster 28, and there is a considerable drop from these heights to the next level of affluence.

#### **No. 8 — Money and Brains**

Cluster 8 enjoys the nation's second highest socio-economic rank. These neighborhoods are typified by swank, shipshape townhouses, apartments and condos, with relatively few children. Cluster 8's contain private universities and a mix of upscale singles. They are sophisticated consumers of adult luxuries — apparel, restaurants, travel and the like.

#### **No. 5 — Designer Jeans and Station Wagons**



Third in socio-economic rank, Cluster 5 is typified by "new money," living in expensive new neighborhoods in the green-belt suburbs of the nation's major metros, coast to coast. These are well-educated, mobile professionals and managers with the nation's highest

incidence of teenage children. They are winners — big producers and big spenders.

## **GROUP S2**

### **Pre- and Post-Child Families & Singles in Upscale, White-Collar Suburbs**

The three Clusters in Group S2 typify a major U.S. trend toward pre- and post-child communities, with predominant one- and two-person households surrounding closed and half-filled schools. While significantly below S1 in socio-economic levels, S2's display all the characteristics of success, including high-end occupations and home values, with consumption levels to match.



#### **No. 7 — Pools & Patios**

While always less affluent, Cluster 7 originally resembled Cluster 5, being upscale greenbelt suburbs in a late child-rearing mode. But today, these children have grown and departed, leaving aging couples in empty nests too costly for young homemakers. Good educations, high white-collar employment levels and double incomes assure “the good life” in Cluster 7.

#### **No. 25 - Two More Rungs**

Just behind Cluster 7 in affluence, Cluster 25 has a high concentration of foreign-born European ethnics, and is somewhat older, with fewer children. It is also more dense, with a higher incidence of renters in multiple-units, high-rise housing, with a northeastern geo-center. Cluster 25's show a high index for professionals and more conservative spending patterns.

#### **No. 20 — Young Influentials**

Cluster 20's could be imagined as tomorrow's Cluster 8's. These are young metropolitan sophisticates, with exceptional high-tech, white-collar employment levels. Double incomes afford high spending and lifestyles are open, with singles, childless couples and unrelated adults predominating in expensive, one- and two-person homes, apartments and condos. Cluster 20 is skewed to the new West.

## **GROUP S3**

### **Upper-Middle, Child-Raising Families in Outlying, Owner-Occupied Suburbs**

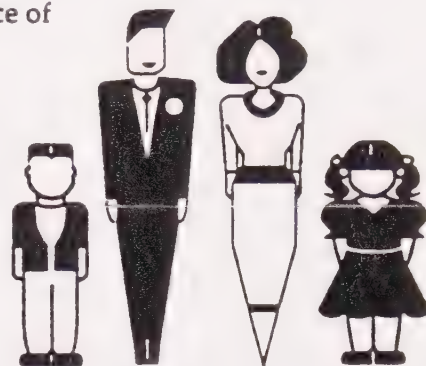
The two Clusters of Group S3 represent our newest minority — the nuclear family — mom, dad and the kids. In this case, the families are upscale. Both Clusters show high



indices for a) native-born whites, b) married couples, c) school-age children, d) double incomes, e) new, single-unit, owner-occupied, suburban housing, and f) two or more cars. In short, S3 is the essence of the traditional "American dream."

### **No. 24 — Young Suburbia**

Cluster 24 is one of our largest Clusters found coast to coast in most major markets. It runs to large, young families and ranks second in incidence of married couples with children. Cluster 24's are distinguished by their relative affluence and high white-collar employment levels. As a result, they are strong consumers of family products.



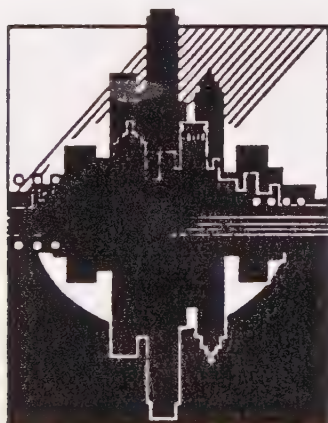
### **No. 30 — Blue Chip Blues**

Cluster 30, ranked third in married couples with children, is similar to Cluster 24 on most dimensions save social rank, its predominant high school educations and blue-collar occupations being reflected in fewer high-end incomes and lower home values. However, high employment and double incomes yield similar discretionary spending patterns, and make Cluster 30 an outstanding market.

## **GROUP U1**

### **Educated, White-Collar Singles & Ethnics in Upscale, Urban Areas**

With minor exceptions for Cluster 31, Group U1 is characterized by a) millions of young, white-collar singles and mixed couples, b) dense mid- and high-rise housing, c) upscale socio-economic status, d) cosmopolitan lifestyles, e) big city universities and students, f) many divorced and separated, g) high concentrations of foreign born, and h) an undeniable panache and notoriety. In mega-city America, this is where the action is.



### **No. 21 — Urban Gold Coast**

Cluster 21 is altogether unique. It is the most densely populated per square mile, with the highest concentration of one-person households in multi-unit, high-rise buildings, and the lowest incidence of auto ownership. Other mosts: most employed, most white-collar, most professional, most rented, most childless, and most New York. Cluster 21 is the top in Urbania, a fit address for the 21 Club.

### **No. 37 — Bohemian Mix**

It's only a \$5 cab ride from "the East Side" to "the Village." The drop in income and shift in perspective are far more

dramatic. Cluster 37's are America's Bohemia, a largely-integrated, singles-dominated, high-rise hodgepodge of universities, hippies, actors, writers, artists, divorcees, widows and races. An interesting phenomenon — Cluster 27's are chiefly found in major harbor cities.

### **No. 31 — Black Enterprise**

New Cluster 31 is 60 percent Black, with median Black household incomes well above average and consumption behavior to match. A few downscale pockets can be found, exhibiting 5+ person households, divorces and separations, single parents and female breadwinners. However, the majority of these Blacks are educated, employed and solidly set in the upper middle class.

### **No. 23 — New Beginnings**

This new neighborhood type emerged from the old Cluster 23. "Bunker's" children are now largely techs and lower-echelon white-collar. The predominant age is 18-34, and the mode is pre-child. They are highly mobile, employed, divorced and rented. Many 23's have provided homes for the steady flow of young migrants to the South and West in search of new job opportunities and lifestyles.

## **GROUP T1**

### **Educated, Young, Mobile Families in Exurban Satellites & Boom Towns**

The three clusters of **Group T1** share a lot of American geography, most of it around our younger boom towns, or in the satellite towns and exurbs far beyond the beltways of major metros. Other shared characteristics are a) young, native-born, white-collar adults, b) extremely high mobility rates and c) new, low-density single-unit housing. Most evident is growth. T1's have been the chief recipients of a major urban exodus, and are among the nation's fastest growing areas.



### **No. 1 — God's Country**

Cluster 1 contains the highest socio-economic, white-collar neighborhoods primarily located outside SMSA's. These are well-educated frontier types who have opted to live away from the big metros in some of our most beautiful mountain and coastal areas. Cluster 1's are highly mobile and are among the nation's fastest growing neighborhoods. They are outstanding consumers of both products and media.



### **No. 17 — New Homesteaders**

Cluster 17 is much like Cluster 1 in its mobility, housing and family characteristics. The big difference is that Cluster 17 is nine rungs down on the socio-economic scale, with all measures of education and affluence being significantly lower. Cluster 17 shows peak concentrations of military personnel and picks up some Hispanics and Amerindians as a result of its strong Western skew. It is one of our largest and fastest growing Clusters.

### **No. 12 — Towns & Gowns**

Cluster 12 contains hundreds of mid-scale college and university towns in non-metropolitan America. The population ratio is three-quarters locals ("Towns") to one-quarter students ("Gowns"), giving Cluster 12 its name and unique profile. It shows extreme concentrations of age 18-24 singles and students in group quarters; very high educational, professional and technical levels in contrast with modest incomes and home values; and a taste for prestige products.

## **GROUP S4**

### **Middle-Class, Post-Child Families in Aging Suburbs & Retirement Areas**

The three Clusters of Group S4, while each distinct, all represent a continuing U.S. trend toward post-child communities. As a group, S4's show many aging married couples, widows and retirees on pensions and social security incomes. They also are predominantly White, with significant concentrations of mixed European-Catholic ancestries. Excepting Cluster 39, they are tightly geo-centered in the Northeast.



### **No. 27 — Levittown, U.S.A.**

The post-WWII baby boom caused an explosion of tract housing in the late 40's and 50's — brand new suburbs for young, white-collar and well-paid, blue-collar families. As with Cluster 7, these babies are now largely grown and gone. Aging couples remain in comfortable middle-class, suburban homes. Employment levels are still high, including double incomes, and living is easy.

### **No. 39 — Gray Power**

Cluster 39 represents over a million senior citizens who have chosen to pull up their roots and retire among their peers. Primarily concentrated in Sunbelt communities of the South Atlantic and Pacific regions, Cluster 39's are the nation's most affluent elderly, retired and widowed neighborhoods, with the highest concentration of childless married couples, living in mixed multi-units, condos and mobile homes on non-salaried incomes.

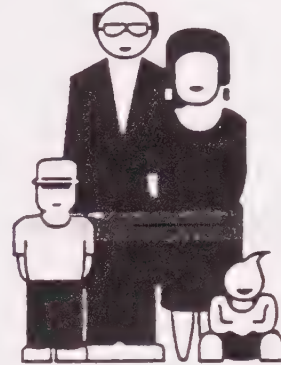
## **No. 2 — Rank & File**

Cluster 2 is a blue-collar version of Cluster 27, five rungs down the socio-economic scale. This new Cluster absorbed the original Cluster 2's, and gathered many other traditional, blue-collar families whose children have grown and departed. Cluster 2's show high concentrations of protective service and blue-collar workers living in aged duplex rows and multi-unit "railroad" flats, and lead the nation in durable manufacturing.

## **GROUP T2**

### **Mid-Class, Child-Raising, Blue-Collar Families in Remote Suburbs & Towns**

The three Clusters in Group T2 might be characterized as America's blue-collar baby factories (equivalent to white-collar Clusters 5 & 24). These neighborhoods are very middle-class, native white and married. They show high indices for a) large families, b) household incomes close to the U.S. mean, and c) owner-occupied single-unit houses in factory towns and remote suburbs of industrial metros. While anchored in the Midwest, T2's are broadly distributed across the nation.



## **No. 40 — Blue-Collar Nursery**

Cluster 40 leads the nation in craftsmen, the elite of the blue-collar world. It is also No. 1 in married couples with children and 3+ member households. Cluster 40's are low-density satellite towns and suburbs of smaller industrial cities. They are very well paid and very stable. Minority presence is negligible.

## **No. 16 — Middle America**

Cluster 16 is well-named in two ways. It is composed of mid-sized, middle-class satellite suburbs and towns; it is well-centered on the socio-economic scale, and is close to the U.S. average on most measures of age, ethnicity, household composition and life cycle. It also is centered in the Great Lakes industrial region, near the population geo-center of the U.S.



## **No. 29 — Coalburg & Corntown**

Cluster 29 fits a popular image of the Midwest, being concentrated in small peaceful cities with names like "Terre Haute, Indiana," and "Lima, Ohio," surrounded by rich farmland and populated by solid, blue-collar citizens raising sturdy, Tom Sawyer-ish children in decent front-porch houses. Well, that's pretty much it...July 4th parades are still boffo in Cluster 29.



## **GROUP U2**

### **Mid-Scale Families, Singles & Elders In Dense, Urban Row & High-Rise Areas**

The four Clusters in Group U2 describe dense, urban, middle-class neighborhoods, mainly composed of duplex rows and multi-unit rented flats, built over 30 years ago in second-city centers and major-market fringes. As a group, U2's show high concentrations of a) foreign born, b) working women, c) clerical and service occupations, d) singles and widows in one-person households, e) continuing deterioration, and f) increasing minority presence. Equally significant are their differences.



#### **No. 3 — New Melting Pot**

The original European stock of many old urban neighborhoods has given way to new immigrant populations, often with Hispanic, Asian and Middle-Eastern origins. These trends have formed a "New" Melting Pot, which includes much of the "Old" Cluster, along with new immigrant neighborhoods. As a result, Cluster 3 is now on the East and West Coasts.



#### **No. 36 — Old Yankee Rows**

Cluster 36 is well-matched to Cluster 3 in age, housing mix, family composition and income. However, Cluster 36 is dominated by high school-educated Catholics of European origin, and has comparatively few minorities. These are well-paid, mixed blue/white-collar areas, firmly geo-centered in the older industrial cities of the Northeast. In Cluster 36, girls still go to work after high school and live at home until married.

#### **No. 14 — Emergent Minorities**

Cluster 14 is almost 70 percent Black, the remainder largely composed of Hispanics and other foreign minorities. Unlike other U2's, Cluster 14 shows above-average concentrations for children of all ages, almost half of them in homes with single parents. It also shows below-average levels of education and white-collar employment. The struggle for emergence from poverty is still evident in Cluster 14.

#### **No. 26 — Single City Blues**

This new Cluster represents the nation's dense, urban, downscale singles areas, found in most major markets, including those of the new West. Many are located near city colleges, and the Cluster displays a bi-modal education profile. With very few children and its odd mixture of races, classes, transients and night trades, Cluster 26 could be aptly described as poor man's bohemia.

## **GROUP R1**

### **Rural Towns & Villages Amidst Farms & Ranches Across Agrarian Mid-America**

The three Clusters of Group R1 are geo-centered in a broad swath across the Cornbelt, through the wheat fields of the Great Plains states, and on into ranch and mining country. R1 Clusters share a) large numbers of sparsely populated communities, b) lower-middle to downscale socio-economic levels, c) extreme concentrations of native Americans of German and Scandinavian ancestries, d) negligible Black presence, e) high incidence of large families headed by married parents, f) low incidence of college educations, and g) maximum stability. These people are well described as "rugged conservatives."

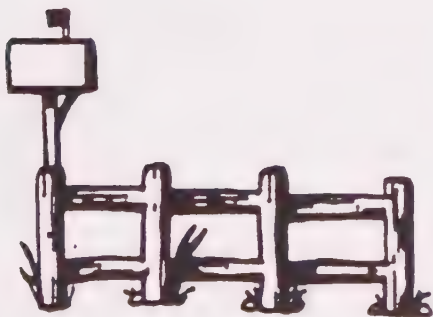


#### **No. 19 — Shotguns & Pickups**

Cluster 19 aggregates hundreds of small, outlying townships and crossroad villages which serve the nation's breadbasket and other rural areas. Cluster 19 has a more easterly distribution than other R1's, and shows peak indices for large families with school-age children, headed by blue-collar craftsmen, operatives and transport workers with high school educations. Cluster 19's are dedicated outdoorsmen.

#### **No. 34 — Agri-Business**

Cluster 34 is geo-centered in the Great Plains and mountain states. It has an above-average Spanish language index, mostly from Mexican braceros and Spanish-speaking Indians. These are, in good part, prosperous ranching, farming, lumbering and mining areas. However, the picture is marred by rural poverty — from the Dakotas to the Colorado — where weather-worn old men and a continuing youth exodus testify to hard living.



#### **No. 35 — Grain Belt**

Cluster 35 is a close match to Cluster 34 on most demographic measures. However, these areas show a far higher concentration of working farm owners and less affluent tenant farmers. Tightly geo-centered in the Great Plains and mountain states, Cluster 35's are also the nation's most stable and sparsely-populated rural communities, with the highest incidence of farmers in single-family homes.



## **GROUP T3**

### **Mixed Gentry & Blue-Collar Labor in Low-Mid Rustic, Mill & Factory Towns**

The four Clusters in Group T3 cover a host of predominantly blue-collar neighborhoods in the nation's smaller industrial cities, its factory, mining and mill towns, and rustic coastal villages. The T3 Clusters share a few broad characteristics such as a) lower-middle incomes, b) high concentrations of native-born English stock, c) limited educations, and d) excepting Cluster 18, single units and mobile homes in medium to low-density areas.

However, it is their differences which make the Group interesting.



#### **No. 33 — Golden Ponds**

Cluster 33 includes hundreds of small, rustic towns and villages in coastal resort, mountain, lake and valley areas, where seniors in cottages choose to retire among country neighbors. Many of these areas were captured from old Clusters 12 and 33. While neither as affluent nor as elderly as Cluster 39, new Cluster 33 ranks high on all measures of independent retirement.

#### **No. 22 — Mines & Mills**

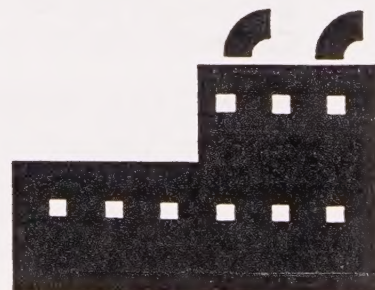
Industry is king in Cluster 22, including both light and heavy industry. Cluster 22 gathers hundreds of mining and mill towns scattered throughout Appalachia, from New England to the Pennsylvania/Ohio industrial complex, and points south. It ranks first in total manufacturing and in total blue-collar occupations. It has very few Black or Hispanic minorities.

#### **No. 13 — Norma Rae-ville**

Cluster 13's are concentrated in the South, with their geo-center in the Appalachia & Piedmont Regions. They include hundreds of industrial suburbs and mill towns, a great many in textiles and other light industries. Cluster 13's are country folk with minimal educations. They are unique among the T3's in having a high index for Blacks, and lead the nation in non-durable manufacturing.

#### **No. 18 — Smalltown Downtown**

A hundred-odd years ago our nation was laced with railroads and booming with heavy industry. All along these tracks, the factory towns sprang up and prospered — from Binghamton to Baton Rouge, Savannah to Spokane — to be filled with skilled immigrant labor, in working-class row houses. Many are seen today in Cluster 18. It is unique among the T3's in its relatively high population densities.

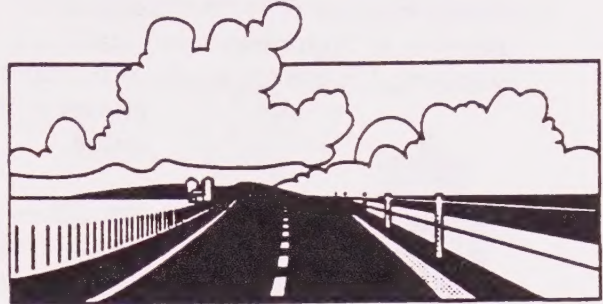




## **GROUP R2**

### **Landowners, Migrants & Rustics in Poor Rural Towns, Farms & Uplands**

The four Clusters in Group R2 pepper rural America and blanket the rural South, with thousands of small agrarian communities, towns, villages and hamlets. As a group, R2's have long shared such characteristics as a) very low population densities, b) low socio-economic rankings, c) minimal educations, d) large, highly-stable households with widowed elders, e) predominant blue-collar farm labor, f) peak concentrations of mobile homes, and g) many Amerindians and persons of English ancestry. Since 1979, they also have shared rapid, short-term growth and economic gains.



#### **No. 10 — Back-Country Folks**

You can't get much farther out than Guntersville, Alabama; Elkins, Arkansas; Saltville, Virginia; or Caribou, Maine. Cluster 10 abounds in such remote, rural towns, geo-centered in the Ozark and Appalachian uplands. It is predominantly White, and leads the nation in concentration of persons of English ancestry, some of whom are the descendants of original colonial settlers and still speak in Elizabethan dialect.

#### **No. 38 — Share Croppers**

Cluster 38 is represented in 48 states, but is deeply rooted in the heart of Dixie. Traditionally, these areas were devoted to such industries as tenant farming, chicken breeding, pulpwood and paper milling, etc. But Sunbelt migration and ready labor pool have continued to attract light industry and population growth. A high index for Blacks and "Cajun" French reflects the Cluster's Mississippi Valley geo-center.

#### **No. 15 — Tobacco Roads**

Cluster 15 is found throughout the South from Virginia to Texas. However, its greatest concentrations are seen in the river basins and coastal, scrub-pine flatlands of the Carolinas, Georgia and the Gulf states. Cluster 15 is a third Black and a fifth English stock. There is some light industry, but unskilled labor predominates. Still dependent upon agriculture, Cluster 15 ranks last in white-collar occupations.

#### **No. 6 — Hard Scrabble**

The term "hard scrabble" is an old phrase meaning to scratch a hard living from hard soil. Cluster 6 represents our poorest rural areas, from Appalachia to the Ozarks, Mexican border country and Dakota Bad Lands. With very few Blacks, Cluster 6 leads the nation in Amerindians (including many reservations), and shows a high index for both Mexican and English ancestries.





## GROUP U3

### Mixed, Unskilled Service & Labor in Aging, Urban Row & High-Rise Areas



The four Clusters of Group U3 represent the least advantaged neighborhoods of urban America. As a group, they show a) peak indices for minorities, b) high indices for operatives, service workers and laborers, c) very low income and education levels, d) large families headed by solo parents, e) high concentrations of singles (widowed, divorced, separated and never married), f) peak concentrations of renters in multi-unit housing and g) perennial unemployment.

#### No. 4 — Heavy Industry

Cluster 4 is much like Cluster 2, only nine rungs down on the socio-economic scale and hard hit by unemployment. Cluster 4's are chiefly concentrated in the older industrial markets of the northeastern U.S. quadrant and are very Catholic, with a high incidence of Hispanics. These neighborhoods have rapidly aged and deteriorated during the past decade. There are fewer children and many broken homes.

#### No. 11 — Downtown Dixie-Style

Cluster 11 has a southern geo-center, with high concentrations in three dozen southern metros. These middle-density urban areas contain both White and Black enclaves, the latter replete with Black churches and colleges (and average college enrollments). On the whole, Cluster 11 is half Black, with an average incidence for Hispanics (these mostly Cuban). Unique among the U3's, it is predominantly native born.

#### No. 9 — Hispanic Mix

Cluster 9 represents the nation's Hispanic "barrios" and is, therefore, chiefly concentrated in the major markets of the mid-Atlantic and West. Cluster 9's feature dense, row-house neighborhoods with large families of small children, headed by solo parents. They rank second in percent of foreign born, first in short-term immigration, and are essentially bi-lingual neighborhoods.



#### No. 32 — Public Assistance

With 70 percent of its households Black, Cluster 32 represents the "Harlems" of America. These are the nation's poorest neighborhoods, with twice its unemployment level and five times its share of public assistance incomes. Cluster 32's have been urban-renewal targets for three decades, and show large, solo-parent families in rented public high-rise buildings interspersed with aging tenement rows.

